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No 63,092



FRIDAY MAY 27 1988

30p

MoD 'tried to hide delays' over Trident

Warhead programme two years late — MPs

By Martin Fletcher, Political Reporter

Mr George Younger and senior Ministry of Defence officials tried to conceal significant delays in key parts of the Trident programme from Parliament, the Commons defence select committee said in a damning report yesterday.

The Secretary of State for Defence and others repeatedly asserted that progress was "satisfactory" on both the construction of warhead production facilities at Aldermaston and the development of sonar suites for Trident submarines, when both were

afflicted by serious problems.

The report says the Aldermaston delays, caused by under-estimating the complexity of the work involved, will mean warhead production beginning in 1992, two years behind schedule.

Enough warheads may be produced to arm the first Trident submarine, HMS Vanguard, on time, but the MPs believe the production rate will have to be greatly accelerated if there are to be

and where there is no cause for concern.

The committee, which has reported annually on Trident for the past five years, said the programme could run into further problems because of persistent specialist manpower shortages at Aldermaston, Burghfield and in work on software for the Strategic Weapon System. These shortages had to be remedied by increasing salaries.

The committee suspended judgement on whether delays in the Trident programme would require a hugely expensive fourth refit for the Polaris submarine HMS Resolution.

Leading article.....17

no delays in equipping the next three.

The report by the Tory-controlled committee was seized upon by the Opposition. Mr Martin O'Neill, a shadow defence spokesman, said it was a "sorry tale of mismanagement, cost-overruns, staff shortages, delays and deception". It showed that "Britain's nuclear deterrent will be years behind schedule and that the MoD just can't be believed".

Mr Michael Mates, the committee's Tory chairman, said it would have been far better if the ministry had "owned up" to the delays immediately, because they were bound to be discovered in the end.

The committee said a hand but reassured MoD statement it was given in progress at Aldermaston in January 1986 was "demonstrably inaccurate" while another in 1987 was "contrasted to avoid answering the committee's questions directly and to avoid repeating the earlier misrepresentation".

As a result, "the MoD can have little cause for complaint if future assurances are not taken at face value".

Three times since 1985, the committee asked about the development of submarine sonar suite equipment but not once was it told that the programme had, in fact, suffered a three-year delay.

That was unacceptable. "Such demonstrable lack of frankness in respect of one element of the programme will inevitably tend to cast doubt on other elements which are accurately reported

The chocolate man with the £2.3 billion bid

Rowntree fight on to stave off the Swiss

By Cliff Feltham and Nicholas Wood



Mr Klaus Jacobs, of Scharndorf, in the City yesterday (Photograph: John Rogers).

The prospect of Britain's leading chocolate companies passing into foreign hands rose last night as Cadbury Schweppes went on to full bid alert and Rowntree staged a last-ditch battle to stave off two Swiss takeover attempts.

The developments came as the Prime Minister defended the decision not to intervene in the Swiss takeover battle for Rowntree in the face of mounting backbench Conservative criticism and a swinging attack by Mr Neil Kinnock, the Labour leader.

By last night about 60 Conservative backbenchers had signed a motion critical of the Government's handling of the affair.

Mr Ken Dixon, Rowntree chairman, immediately hit back, claiming the offer of \$900 million from Suchard was not enough to match the world famous brands such as KitKat, Polo and Smarties.

The offer is 60p more than the terms on the table from Nestlé and pushed the price of Rowntree shares up by 26p to a record £10.26.

Dealers now expect Nestlé to bounce back, probably today, with a knockout bid. Nestlé owns 16 per cent of Rowntree and Suchard controls 29 per cent.

Mr Dixon said he had no intention of being taken over by either Swiss company.

Mr Kinnock accused the Prime Minister of putting a "For Sale notice on Britain" by ruling out a reference to the Monopolies and Mergers Commission.

But Mrs Thatcher countered strongly saying that the Labour leader wanted to retreat to the calamity of a closed economy.

As the twin takeover battles raged, stock market dealers said they expected General Cinema, the US giant, to mount a bid for Cadbury Schweppes after the Americans announced that \$1 billion was available to enable it to lift its shareholding beyond its present 18.4 per cent level.

A Cadbury Schweppes spokesman admitted: "They certainly appear to be sending out signals to us. It is causing considerable disquiet."

The move came as Jacobs Suchard, the Swiss chocolate group, launched a £2.3 billion bid for Rowntree, topping a £2.1 billion bid from its rival, Nestlé.

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"There is nothing to choose between them. Neither of them has any idea of what our business is worth".

In a desperate attempt to save Rowntree, he yesterday urged shareholders to stay loyal and promised that pre-tax profits for this year would rise by 20 per cent to £135 million.

But City analysts fear Rowntree has left it too late and can now only hope to get the best possible price from the Swiss predators.

Mr Klaus Jacobs, chairman of the Suchard company which makes Toblerone, said he had considered Rowntree as a "potential partner in the confectionery business".

However, on the stock market Cadbury Schweppes rose 7p to 378p for a two-day gain.

Continued on page 24, col 3

Reagan angers Russia over dissident meeting

From Christopher Walker, Moscow

A sour note was injected yesterday into preparations for the Moscow summit meeting when a senior Soviet spokesman made a strong attack on President Reagan's plans to host a special meeting for Jewish refuseniks and other dissidents during his first visit to the Soviet capital.

Addressing a news conference devoted to the Soviet approach to the "key problems" to be dealt with at the summit, Mr Vladimir Petrovsky, the Deputy Foreign Minister, also gave the clearest indication yet that no important agreements were likely to emerge from the meeting.

Clearly speaking with approval from the top levels of the Kremlin, Mr Petrovsky said the fact that a pact for cutting strategic nuclear arsenals by 50 per cent was not yet ready for signing "should not surprise and not disappoint anyone".

The briefing, also attended by General Sergei Akhromeyev, the Chief of Staff, and Mr Gori Arbatov, one of the Kremlin's top advisers on US affairs, left the clear impression that "little of substance was" at this stage, expected to emerge.

Mr Petrovsky expressed anger at President Reagan's plan to host a meeting of refuseniks and dissidents on Monday at Spaso House, the US

ambassador's residence, complaining that there had been a "tendentious selection" of participants.

Mr Petrovsky made a slighting comparison between Mr Reagan's choice of guests and the selection of Americans whom Mr Gorbachev agreed to meet during the summit in Washington last December.

Surprising some in the audience with the force of his condemnation of the type of fringe meeting which has become routine during the frequent visits here by Mr George Shultz, the US Secretary of State, Mr Petrovsky emphasized: "One thing is clear already now: this American

Continued on page 24, col 7

UVF man is given 400-year sentence

A self-confessed Ulster Volunteer Force killer, Denis McClean, was jailed for life three times yesterday — with concurrent sentences of more than 400 years — for "an appalling catalogue of terrorist crimes".

McClean, aged 40, a deputy commander of the extremist Loyalist group, admitted a total of 44 offences including three murders, the manslaughter of a policeman, six attempted murders, making bombs, causing explosions, possessing guns and bombs and membership of the UVF.

Sentencing him at Belfast Crown Court, Lord Justice MacDermott said he had

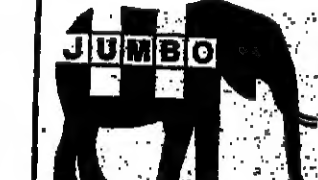
pleaded guilty to an appalling catalogue of terrorist crimes, which could never have been proved but for his confessions.

The judge said he believed McClean confessed after he had realised the evil and awfulness he had been involved in and wanted to clear his conscience.

Crown counsel said McClean, of Northland Street, Belfast, had been in the UVF since 1972 and by the time of his arrest last September was a deputy commander.

McClean's common-law wife, Mary Logan, aged 42, who pleaded guilty to six terrorist charges, was freed when her two-year sentence was suspended for three years.

TOMORROW



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Portfolio PLUS NEW Accumulator

● There was no daily prize winner yesterday, so the Portfolio Accumulator fund rises £4,000 to £46,000.

● Portfolio, Page 33

IN PART 2

England fate in balance

The England football team's participation in next month's European championship depends on the behaviour of their supporters at the match against Switzerland in Lansanne tomorrow.

Officials of UEFA, the governing body of European football, have made it clear that, were there any trouble, they would expect the Football Association to withdraw the team from the championship voluntarily.....44

Dollar firmer

An upward revision of first quarter US growth strengthened the dollar while sterling was nervous.....25

Felled by ball

Philip Simmons, the West Indian cricketer, had to have a life-saving operation after being hit on the head by a ball in a match against Gloucestershire at Bristol.....Page 44

TIMES FOCUS

Sponsorship of sport and the arts is a growing business and one that raises complex issues of ethics says a Special Reports.....35-37

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Banks to swap bad debt files

By Richard Thomson, Banking Correspondent

Thousands of bank and credit card borrowers who have not repaid their debts will soon be recorded on files open to scrutiny by the high street banks.

Banks have agreed to exchange information on defaulting customers so repayment records can be checked before further credit is advanced.

The move is an important step towards controlling the growth of bad debts among bank and credit card customers.

The 10 clearing banks involved in the scheme will, within the next three months, enter the information on computer files held by three credit agencies, Infoclink, CNN Systems and Wesco Data.

A month before providing the information, customers in default will be warned to give them time to sort out their repayment position.

Teachers get 4.25% pay deal

Unions dismayed by award

By Sarah Thompson, Education Reporter

Teachers' unions reacted with anger and disappointment yesterday at the news that they are to get a 4.25 per cent pay rise and increased incentive allowances.

The rise is 2 per cent lower than that awarded to Scottish teachers and the extra cost of the bigger incentive allowances — £32 million — is expected by Mr Kenneth Baker, the Secretary of State for Education and Science, to be funded by local education authorities.

The rise was recommended by the Interim Advisory Committee set up on the abolition of the old Burnham Committee on teachers' pay, which was considered necessary to sustain motivation, would produce a package falling within the financial limit specified (by the Secretary of State).

The number of incentive allowances have been raised

A qualified teacher who is a good honours graduate will now enter the profession at £8,859 rising to £13,863 by seven stages. Deputy heads will get from £15,158 to £22,193 and heads from £16,158 to £31,794.

Mr Baker said: "Teachers will get increases in the course of this year ranging from 4.25 per cent to over 14 per cent for some teachers."

In its report in March the committee said: "We do not believe that it is possible to determine an amount by way of a general increase which, together with certain adjustments to London allowances and incentive allowances which we considered necessary to sustain motivation, would produce a package falling within the financial limit specified (by the Secretary of State)."

The number of incentive allowances have been raised

by Mr Baker and their introduction speeded up so that by September 1990 roughly one teacher in three will have an incentive allowance of between £801 and £4,401 a year.

The bottom incentive allowance has been raised from £501 a year.

Yesterday Mr Doug McAvoey, the deputy general secretary of the National Union of Teachers warned: "Teachers will be disappointed and dismayed by the refusal of the Secretary of State to provide additional funding for teachers' pay."

The NUT is avoiding all talk of industrial action but the National Association of Schoolmasters/Union of Women Teachers is preparing for a half-day strike in the middle of examinations this summer term.

The result of the strike ballot is expected on June 10

Wider role sought for CPS

By Frances Gibbs, Legal Affairs Correspondent

The Director of Public Prosecutions, Mr Allan Green QC, wants the 1,300 lawyers in the Crown Prosecution Service to have the right — now reserved exclusively to the Bar — to take cases in the Crown Court.

His views, believed to have been put already either to the

Tribunals.....page 16

Lord Chancellor or the Lady Macre Committee on the Future of the Legal Profession, will come as a huge blow to the Bar.

They are also likely to be strongly opposed by the Government law officers, the Attorney General and Solicitor General, who support the

Continued on page 24, col 4

Outcast ship finds no port in a poison storm

From Roger Boyes, Marina di Carrara, Tuscany

Lurching like a drunk, the good ship Zancobia is stuffed to the gunwales with leaking toxic chemicals that could, at any moment, become the worst Mediterranean pollution disaster in a decade.

Not surprisingly, nobody wants anything to do with the ship, which sits uncomfortably off the sandy shore of Tuscany, surrounded by buzzing police boats, waiting for a Government decision, or a catastrophe.

The 2,000 tonnes of chemical waste — an ugly, unstable cocktail of fertilizers, pesticides, resins and polyurethane — were loaded by a Milan company more than a year ago here in

Marina di Carrara. A Maltese ship, the Lynx, took the cargo to Venezuela, where it was stored in Puerto Cabello.

But when dockworkers began to fall sick, fires broke out and the leaks worsened, the normally tolerant Venezuelan authorities asked the Italians to remove the waste. The chemicals were packed into the Lynx and transferred secretly to the Syrian vessel, Zancobia. Syria refused to accept the cargo and so, a month ago, the desperate captain brought the ship back to the sleepy Tuscan port. A storm on the way broke open some of the 11,000 rusting barrels.

Some crew members have been burned, many are vomiting and constantly dizzy. All have kidney and breathing problems and crusty skin

rashes make them resemble two-legged lizards.

When Captain Ahmed Tabulo was briefly taken to hospital on shore, he was trailed everywhere by police in case he tried to abandon the ship. At least eight crew members have been taken to hospital; theoretically, everyone should be evacuated, but somebody has to keep watch over the cargo.

Dr Enrico Falqui, the local Green councillor, told *The Times*: "Technically it is possible to unload the waste without great danger. We could also immediately neutralize the poisonous elements. But although we asked the Italian Government to act a week ago, we still have no decision."

The Greens are taking food to the sailors. Some doctors have been on board, where the men are on the brink

of mutiny. At least one Government expert has had a nervous collapse after seeing the hellish conditions on board.

The military port of La Spezia may finally be the logical disembarkation point for the waste. But local authorities are protesting vigorously and dock workers say they will strike if the ship enters port.

One shipping expert said yesterday: "The international traffic in radioactive and poisonous wastes is not sufficiently controlled and more often than not this stuff is transported in old and inadequate vessels. This crisis was bound to happen sooner or later."

There is some sympathy for the crew in the dockside bars of Carrara. Had the captain been less honest he would quickly have dumped the cargo long ago, say cynical locals.

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NEWS ROUNDUP

Surrender order on Wapping film

A judge yesterday ordered newspaper and television companies to surrender to police unpublished film of a violent demonstration outside News International's plant at Wapping, east London.

Mr Justice Allott said it was in the public interest that the material should be handed to a police team investigating more than 440 complaints and allegations about police behaviour during the riot in January last year over the dismissal of striking print workers.

The Independent, The Observer, Mail on Sunday, Independent Television News, Thames Television and four freelance photographers had opposed the application by Det Supt David Wyrko. He believed the unpublished material would help to "establish the truth" of what happened.

Mr Justice Allott said the dispute between the two sides was one of principle. He "wholeheartedly supported" a free press but he did not believe his order would undermine that. Last night, the National Union of Journalists and the National Council for Civil Liberties announced they will consider whether to seek judicial review.

Drugs cash seized

Edgar Peters, an international drugs runner who made £500,000 from trafficking in cannabis and cocaine, was jailed for 18 years at Chelmsford Crown Court yesterday. His assets, totalling £107,545, were ordered to be confiscated. Peters, aged 41, a financial consultant of Edgerton Court, Brompton Road, south-west London, was a member of a four-man gang which imported £1.7 million of West African cannabis in June 1986, the court heard. The gang was held as a consignment was being delivered to a bungalow in Basildon, Essex.

Fight to save frigate

The Warship Preservation Trust yesterday urged Plymouth City Council to accept HMS Plymouth from the Royal Navy, at a rent of £1 a year, to convert into a museum. The frigate, which served in the Falklands conflict, will otherwise be blown up in target practice. The council decides next week. Mr John Mills, chairman of the leisure services committee, said acceptance was unlikely because of the cost of maintaining the vessel.

Novelists' prize

Alex Martin, aged 34, whose novel, *The General Interruptor*, has not yet found a publisher, and Candia McWilliam, with *A Case of Knives*, published by Bloomsbury, are the winners of a Betty Trask award for traditional or romantic fiction, it was announced last night. Each receives £6,500.

The three winners of the £12,000 Somerset Maugham Awards, also announced last night, were Jimmy Burns, Carol Ann Duffy, and Matthew Kneale.

Limb assault charge

A one-legged skiing instructor yesterday denied assaulting a policeman with his artificial limb. Charles Hulme, of Hale Road, Hale, Greater Manchester, also pleaded not guilty to breaking a shop window and damaging a mannequin. The prosecution alleged that Mr Hulme, aged 27, struck Sergeant Brian Hulley on the head after the officer tried to restrain him in a late-night incident. Magistrates at Sale, Cheshire, adjourned the case until June 16.

Horse race for nuns

Irish nuns are preparing for a horse race next Sunday. They have been in training for the Interdenominational Clergypersons Race at 30 miles from Dublin. The winning nun in the 1½ mile flat race for ponies and hunters will get a £1,000 prize for the charity of her choice.

Dalyell is rebuked over questioning of top Civil Servants

By Philip Webster, Chief Political Correspondent

Sir Robin Butler, secretary of the Cabinet and head of the Home Civil Service, has told a Labour MP that Civil Servants should not be made targets of campaigns to which they cannot reply.

His rebuke came in a letter to Mr Tam Dalyell, MP for Linlithgow, who has repeatedly questioned the role of Mr Charles Powell, the Prime Minister's private secretary, and Mr Bernard Ingham, her chief press secretary, in his unflinching campaign against Mrs Thatcher over the Westland helicopters affair.

In a letter to Sir Robin, Mr Dalyell said Mr Powell's wife had complained to him about his "persecuting" her husband.

Mr Dalyell said he had received a message at the Commons to telephone Mrs Charles Powell.

The message came several days after an adjournment debate in which Mr Dalyell alleged that Mr Powell had considerable influence on the Government's foreign policy and again raised the Westland affair.

Mr Dalyell maintains that Mrs Thatcher must have known about the leak of the Solicitor-General's letter - the episode which led to the resignation of Mr Leon Brittan as Secretary of State for Trade and Industry - because Mr Powell and Mr Ingham would have told her.

When Mr Dalyell contacted Mrs Powell she said: "Mr Dalyell, why are you persecuting my husband?"

Mr Dalyell said he had tried to explain that Mrs Powell's husband had played a central

role in an affair in which he was deeply critical of the Prime Minister. In his letter he told Sir Robin that he suspected Mrs Powell was aggrieved that Civil Servants could not answer back when brought into the limelight by politicians.

He asked Sir Robin how he could assist senior Civil Servants who were drawn into controversy.

In his reply, Sir Robin said he was glad to know about Mr Dalyell's exchanges with Mrs Powell. "I know that she has been distressed by the public references to her husband", he said.

The difficulty faced by individual Civil Servants who were criticized as Mr Dalyell had criticized Mr Powell was that the responsibility for the actions of the Government was properly exercised by ministers to Parliament. Individual Civil Servants could not interfere with that by answering separately on their account.

Civil Servants who felt that actions they were required to take were fundamentally against their conscience had recourse to their senior officers and ultimately to the head of the Home Civil Service.

Sir Robin said he did not accept there was a gap in the procedures. "If criticism is of the actions of ministers, it should be pursued with ministers in Parliament; if it is of Civil Servants acting without the authority of ministers, there are procedures in the Civil Service code or, in appropriate cases, under the law."

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Veteran 'saddens' Army

By Michael Evans
Defence Correspondent

A senior Army commander has reacted with "great sadness" to allegations that a Falklands veteran was neglected by his regiment when he returned to Britain severely wounded.

Brigadier Mike Scott, who as a lieutenant-colonel led the 2nd Battalion Scots Guards against Argentinean troops on Mount Tumbledown in 1982, rejected the allegations by Mr Robert Lawrence, a former lieutenant.

Mr Lawrence, who now works in the film industry, was awarded the Military Cross. His story of the Mount Tumbledown attack is to be portrayed in a BBC drama next Tuesday. A book about his experiences, *When the Fighting is Over*, will be published the same day.

Mr Lawrence was hit by a high-velocity bullet that removed almost half his brain. After a miraculous recovery, he decided to tell his story, but his remarks about the regiment have caused considerable controversy.

Yesterday, Mr Lawrence said he decided to tell the truth about the Falklands conflict because the public had been given a sanitized version of events. He also wanted to show how the wounded had been treated when they returned home. He said he was angry when he was not allowed to take part in a victory parade in London.

"I have a lot of admiration for Brigadier Scott," he said. "I have for all my colleagues. I'm really proud that I took part in the Falklands. I'm just sad that they don't admit there were serious problems after the war."

"Since November 1983, when I left the Scots Guards, I have received one photocopied letter asking how I was."

"All I wanted was for them to come and assist me," Brigadier Scott said yesterday.



Mr Robert Lawrence: Received one photocopied letter.

Brigadier Scott admitted that it was not possible to arrange everything immediately for those who were disabled in the Falklands. There was a "certain bureaucracy" that had to be gone through over such matters as pensions.

"I'm not angry with him, just sad. We did all we could for the wounded. People talk about the regimental family, and that's exactly what it is. We're very proud of those who were wounded, like Robert, and it hurts to hear him saying that we didn't care."

GMB single-union deal at car supplier

By Craig Seton

The GMB, Britain's second largest union, signed a single-union deal with a new £35 million company being formed to make body pressings for Jaguar cars yesterday.

It fought off competition from the powerful Amalgamated Engineering Union (AEU) for sole representation of 450 workers who will be employed at the new plant in Telford, Shropshire.

The deal with the new company, Venture Pressings, a partnership of

Jaguar and GKN Sankey, represents a significant coup for the GMB.

It includes a grievance procedure designed to virtually eliminate the chances of a strike, although the union denied that it was a formal "no-strike" agreement.

Under the procedure, known as "pendulum arbitration", disputes that cannot be resolved within the company will be referred to the conciliation service, Acas. If the dispute is still unresolved, it will

be referred to an agreed arbitrator, whose decision will be binding on both sides.

The GMB said the deal would not breach any Trades Union Congress rules on single-union agreements.

"We have not signed a no-strike deal. Arbitration will be binding on both sides."

Venture Pressings said yesterday: "We are very pleased about the deal." The company expects to employ 450 people in Telford by 1992.

Flight engineers study formula to end strike

Union officials were last night considering a peace formula put forward to end an unofficial strike by more than 3,000 British Airways maintenance engineers which had threatened to disrupt Bank holiday flights from Heathrow.

British Airways said the dispute, which began on Monday, had little effect and that

1,000 men had defied the strike call after a letter from Mr Alistair Cumming, director of engineering, giving a "clear guarantee" on job protection to anyone who turned up for work.

The figure was disputed by union officials who claimed the strike, in support of a dismissed shop steward, was solid.

HAVE WE GOT THE JOB FOR YOU?

If you relish the idea of getting togged up in the gear and laying out a few rioters, don't bother to apply. Photographs by Don McCullin

CONSIDER your response to this image of a police officer. It is easy for some to see him as a robotic, dehumanised figure programmed to crush legitimate protest. To others he is the strong arm of the law bravely defending society against those drug-crazed, anarchic elements that would destroy us all.

In either case you might well ask if we have turned our back on the policy of using "minimum force" to achieve our task of preserving the peace.

The answer is that only by equipping and training our people to contend with violent public disorder can we hope to maintain this principle.

Traditionally, in this country policing is by consent. By and large, we can depend on the public co-operating with us in maintaining order. Such breakdowns as occur are managed by well tried methods.

However linking arms won't contain people wielding machetes and knives and the thickest blue serge ignites when burning petrol comes into contact with it.

So we have used the experience of recent disturbances to prepare ourselves for the possibility of similar future outbreaks. We have acquired flame resistant

overall; helmets with visors for protection against ammonia and acid attacks. And we have developed increasingly sophisticated techniques with shields.

All men and women recruits now go to our training centre at Hounslow for two days basic training in public disorder control techniques. Here on a realistic street layout they learn the tricky business of manoeuvring with long shields. Instructors surprise them around corners with a hail of bricks and petrol bombs. Everyone will return regularly throughout their service to refresh their memories and to practice.

Each London police division nominates officers who receive further training but the Territorial Support Groups are the first on the scene when an outbreak of public disorder starts to develop.

Selection for duty in a Territorial Support Group is made from officers with a minimum of four years' service who have been recommended by their senior officers as particularly suitable. They are intensively interviewed and subjected to rigorous psychological tests. Slightly less than five out of twenty make it. They join the group for a minimum of four years during which time they train and work together. So we

must have people who can work as a disciplined team.

First and foremost we are looking for outstanding police officers because the most important part of the job entails surveillance and special duties often in plain clothes in support of local police. They may be called in to help deal with drug dealers, burglars, muggers or what have you operating in a particular area.

They must have a keen interest in maintaining their skills and fitness. Because the occasions when they will be called upon to don the riot gear are mercifully rare. But when they're

Linking arms won't contain people wielding machetes and knives.

needed, they must be able to respond quickly and effectively.

Great emphasis is being placed on training higher ranking officers; those who command the police on the ground. It is a new area of activity for many and the experience gained since 'Brixton' went up in flames in 1981 has yielded new strategies and tactics which have to be learned. Similarly these extraordinary events require a command structure that's not normally used and this has to be practised.

The aim is always to prevent a small incident becoming a big one. And if this proves impossible, to contain the riot and restore order with minimum damage to people and property.

If we are to continue living in an ordered peaceful society, it is vital work. Maybe you would be good at it. But first you will have to show that you are good at all the other things the public expects us to do.

We only accept one in six of the men and women who apply to join the Met. But once you are accepted we do everything in our power to prepare you for the task of policing London.



Left: Your friendly familiar police constable about to grab a petrol bomber. Right: Land Rover with optional extras.



NOW YOU CAN HAVE A BIGGER MORTGAGE WITHOUT BEING OVERSTRETCHED

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Audit office report is blow to inner city programmes

By Martin Fletcher
Political Reporter

The performance of the Merseyside Development Corporation, one of the first such bodies created, was sharply criticized yesterday in a National Audit Office report that is certain to embarrass ministers.

The corporation had failed to attract jobs or investment and failed to provide housing on the scale envisaged since its inception seven years ago, the report said. It had also under-spent its funds and suffered spectacular disasters.

Urban Development Corporations, with their sweeping powers, are a centrepiece of the Government's programme for inner city regeneration. The creation of a further eight corporations was announced last year in the Black Country, Trafford Park, near Manchester, Teesside, Tyne and Wear, Cardiff, Bristol, Leeds and central Manchester.

In March, one for Sheffield was announced, along with an expansion of the MDC scheme.

The National Audit Office report praises the London Docklands Development Corporation, which, with Merseyside, pioneered the project. It observes, though, that the success "partly reflects its proximity to central London and deregulation of the City" and that its achievements

Garden cities could solve the housing shortage in the South-east Mr David Hall, director of the Town and Country Planning Association, said yesterday (Our Property Correspondent writes).

Speaking at the association's annual council meeting, he proposed at least 12 such towns, in the model of Welwyn and Letchworth.

They would take pressure off the Green Belt and provide affordable homes for those trapped in high-density inner city flats, while at the same time guaranteeing healthy, green public open space in the inner cities.

Mr Hall said: "The concept

will not readily be repeated elsewhere."

Merseyside suffered from the area's poor image and economic problems. Its small size, spread over three sites, and difficulty in acquiring land were also handicaps.

Successes included restoring Albert Dock, attracting small enterprises, reclaiming 240 acres of land, clearing 80 acres of waterways, and providing 120 acres of public open space.

However, by the end of 1986-87 only a third of the corporation's commercial and industrial floorspace was occupied, just three sites had been sold, and less than

£20 million of private-sector investment had been attracted, though more had since been secured.

Its marketing lacked focus and drive. There had been little progress in providing homes and an important commercial site had been vacant for five years. The corporation under-spent by £29 million on available funds of £169 million. Since 1981 only 1,000 jobs had been created.

The corporation's plans for redevelopment of the 1984 Liverpool Garden Festival site collapsed and cost it £24 million. Arrangements with a private sector developer also

Chelsea's exotic extravaganza



Angela Johnson, from Reading, tests the bouquet of *Lilium regale* at the Chelsea show yesterday (Photograph: Tim Bishop).

The Chelsea Flower Show, with the most lavish and sumptuous display of floral exotica yet, opened to the public yesterday.

One visitor, Mrs Rita Ridd, from Essex, said: "We got lots of ideas from the displays, but we need lots of money and the gardens big enough to do it all in".

Mr John Clevely, a wine shipper, said: "Visiting the show is one of the greatest things that anyone in Great Britain can ever do. I have been coming here for 15 years and as far as I'm concerned there is nothing else like it in the world. It always amazes me that they find new things to show us and there was something for everybody this year."

The Interflora stand at the show sent the first order to the firm's new office in Moscow — a bouquet from Boris Yeltsin to Mrs Raisa Gorbacheva, the wife of the Soviet leader.

The show, organized by the Royal Horticultural Society, is celebrating its 75th anniversary this year. The first day, today, is also open to the public.

Superconductor research Britain 'at risk of being left behind'

By Robert Matthews, Technology Correspondent

British scientists working with the revolutionary ceramic superconducting materials must keep their eyes firmly on practical applications if Britain is to keep up with foreign competition, the newly-appointed director of Britain's superconductivity research centre said yesterday.

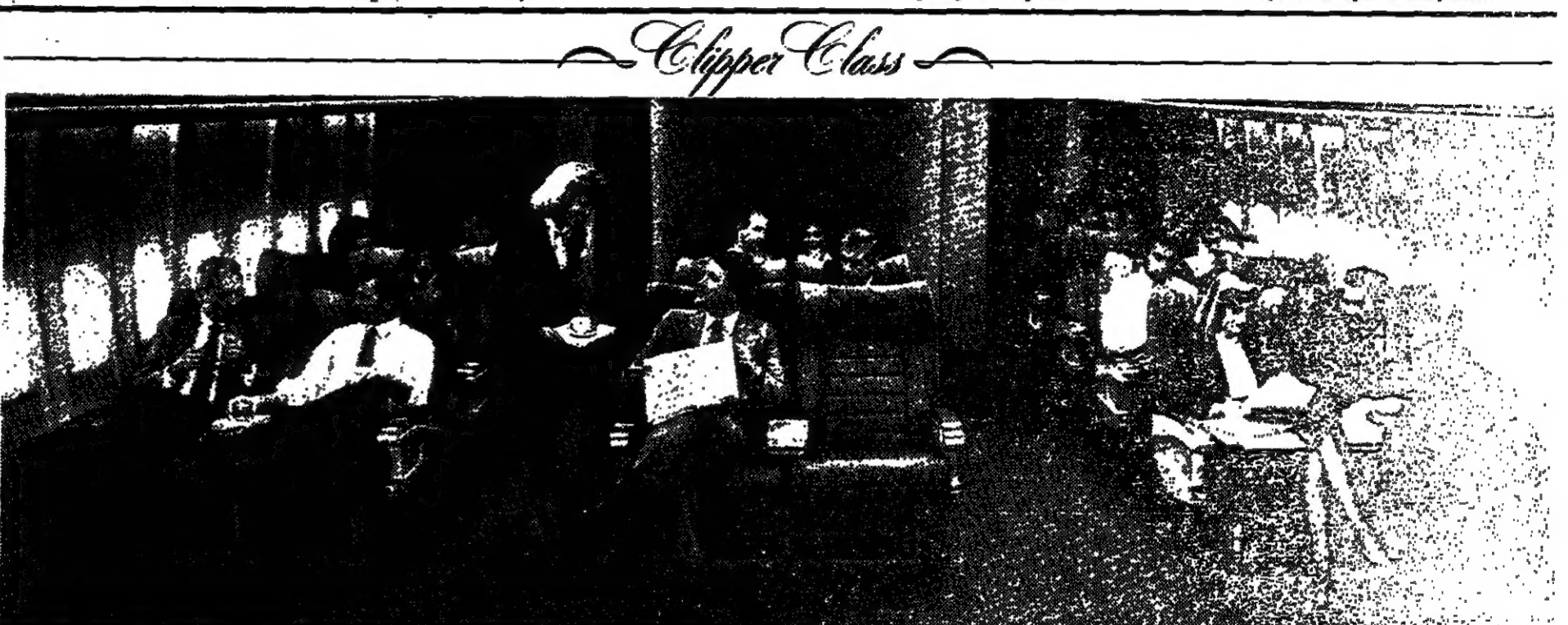
Dr Peter Duncumb, who is to be head of the centre set up last December at Cambridge University, said that in the past British scientists had shown a marked reluctance to join forces towards practical goals, unlike their counterparts in Germany, the United States and Japan.

Dr Duncumb, aged 57, has considerable experience in bringing together diverse teams of scientists to work on practical applications of advanced technology.

He was head of the central laboratories of the TI Group for eight years after doing research in electron microscopy, for which he was elected a Fellow of the Royal Society.

He said that one of his prime tasks will be to bring together work from different scientific disciplines in the superconductivity centre and identify key areas of technology at which the research should be targeted.

Ceramic superconductors, discovered in 1986 by scientists in the Zurich laboratories of IBM, have the unique ability to lose all their electrical resistance when



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Research funding criticized by MPs

By Sarah Thompson, Education Reporter

The Government's record on funding scientific research was criticized yesterday by the Commons committee on education, science and arts.

The committee, in a report on Department of Education and Science spending, urged "substantial government funding" for science.

The report also called on government officials to check that recent increases in teachers' pay are benefitting education.

On science, the committee, chaired by Mr Timothy Raison, said: "We have no doubt that if a fully healthy scientific research base is to be maintained, particularly if progress is to be made towards substantial restructuring then substantial government funding will be essential".

It asked the Government to "give an indication" of how much it expects research to be funded by industry and by switching some defence research and development funds to civil research.

The committee also called on education officials to "make strenuous efforts to

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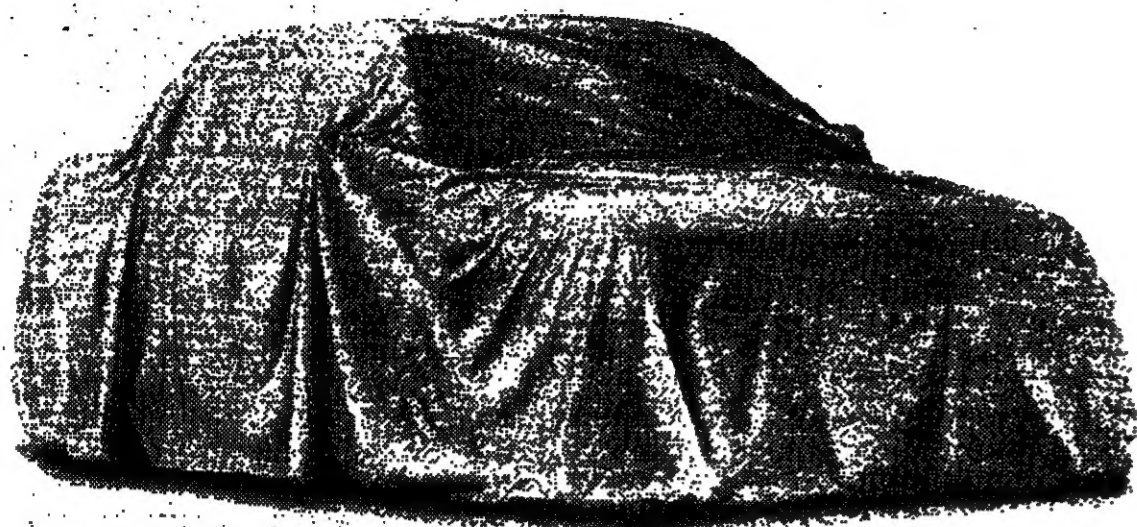
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By Thomson Prentice, Science Correspondent

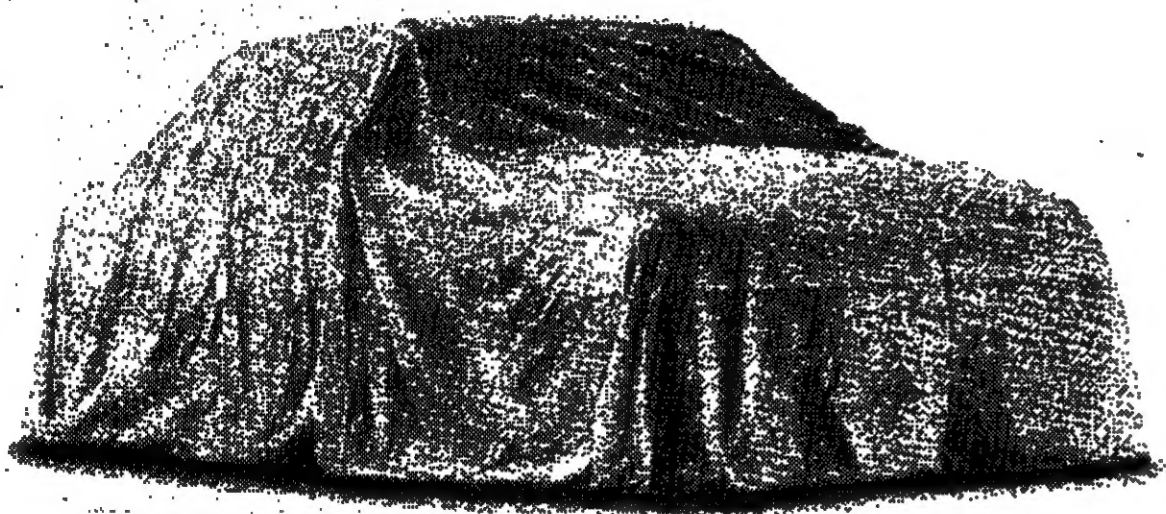
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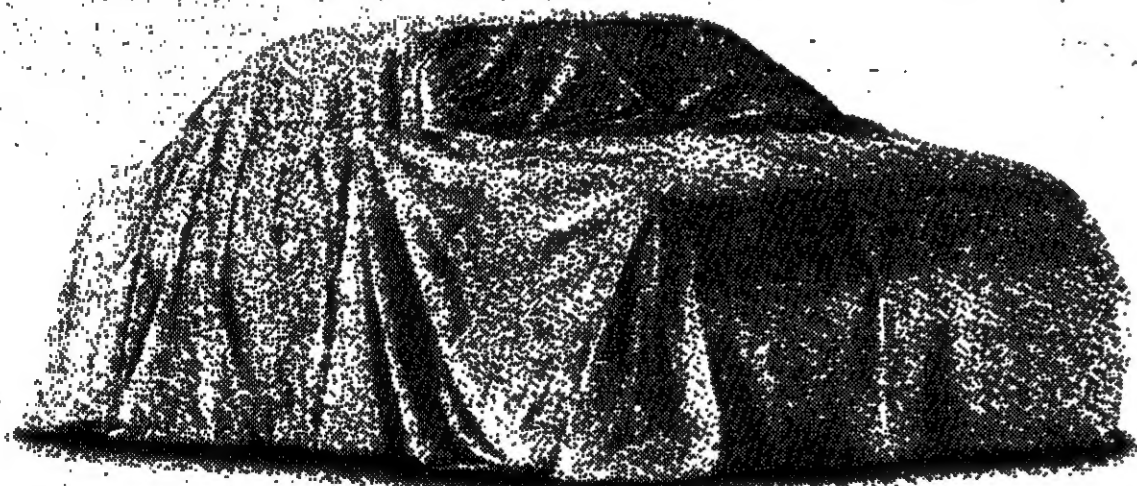
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by a computer. More than 2 millimetres out and out goes the car.

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THE ULTIMATE DRIVING MACHINE

Human rights issue threatens to touch Kremlin's raw nerve

By Michael Binyon

Human rights could be the one issue which seriously disrupts the Moscow summit if President Reagan insists on pressing a crusade that the Kremlin feels is inappropriate and increasingly irrelevant.

Mr Reagan has insisted that human rights will be the central focus of his talks with Mr Mikhail Gorbachev and that he will press the Soviet leader to improve a record he still calls "far from good". Tomorrow he is to give his final pre-summit address in Helsinki, where he will dwell on the agreements signed there 13 years ago.

He said on Tuesday that the 1975 Final Act "redefined East-West exchanges, enshrining human rights as an issue of permanent importance". All this touches a raw nerve in the Soviet Union, where both the leadership and many ordinary people believe that the Americans have failed to take into account the liberalization of the past two years, the release of dissidents, the improved relations with the Church, the democratization of the political process and the generally freer atmosphere.

There is a worry here that, by challenging Moscow on Jewish emigration, political dissidents and religious freedom, he will overplay his hand, provoking an angry backlash among conservatives and forcing Mr Gorbachev on to the defensive. That could set back the quiet attempts to improve the country's record.

Certainly Mr Gorbachev has bristled at what he regards as patronizing lectures from the White House. He told Mr George Shultz, the US Secretary of State, in Moscow last month that he could not accept "sermons and instructions on how we should behave ourselves".

He was tart in his response to editors from *The Washington Post* last week when they asked him about two dissidents — Sergei Grigory-

ants, the editor of the journal *Glasnost*, and Mr Paruir Airikyan in Armenia. He accused both of having consorted with Western correspondents, said that they were being financed by the West, and called Mr Grigoryants a "parasite on the democratic process and perestroika".

President Reagan has expressed his intention to meet Mr Grigoryants, who was recently sentenced to a seven-day term in prison.

Mr Reagan is being pressed by Jewish activists in the US to speak out strongly on Jewish emigration. Mr Nathan Sharansky said in *The New York Times* that the West should stand firm, as past failures by Western leaders to challenge the Kremlin's human rights record had caused severe setbacks for political prisoners.

But Soviet officials insist that not everything can change immediately. Mr Fyodor Burlatsky, a leading political scientist, told a recent press conference: "I personally believe there should be total freedom of emigration and that we should strictly implement all the provisions of the Helsinki Act. But this is a process and it will take time."

President Reagan may find himself challenged sharply on the US human rights record when he gives an address at Moscow University. Many Soviet citizens regard his stand as hypocritical in the light of US involvement in Nicaragua, its economic links with South Africa, and homelessness, drug abuse and racial discrimination in America.

Nevertheless, Soviet officials are anxious to avoid a confrontation. One Foreign Ministry policy-maker said that the regular discussion of human rights was healthy, and appeared ready to live with whatever Mr Reagan says about religious freedom and individual liberty.

But elsewhere there are

signs of nervousness. Tass has carried an interview with Patriarch Pimen emphasizing the good relations of the Orthodox Church with the Government, and the newspapers have been full of articles insisting on real freedom of religion in advance of the celebration of the millennium of Christianity in Russia.

A group of American psychiatrists has been invited to visit Soviet psychiatric wards in September. Spokesmen here have spoken gingerly of earlier "abuses" but now insist that psychiatric hospitals are not used for punitive purposes.

The Soviet Union has given press conferences to point out that it has gone a long way towards meeting US objections. The Kremlin now appears eager for joint conferences with the Americans on human rights. It points out that freedom of movement, one of the fundamental rights on which Mr Reagan will insist, has been made much easier.

Last year about 250,000 Soviet citizens went abroad on private visits — twice as many as in 1986. Visits to the United States have become more frequent.

Emigration has risen, with 15,000 people leaving in the past four months. More significantly, those who have emigrated, including some who have defected and been stripped of their citizenship, have been allowed to return for visits.

Mr Reagan has praised all these developments. But Russians are worried that, if the President continues to call publicly for fundamental changes and improvements, he could appear to be using the human rights issue not so much to better conditions here but for domestic reasons — and, as a propaganda weapon, that would arouse strong resentment.

The Moscow summit



Glasnost in the air: Budapest youngsters studying a new television magazine which tells Hungarians not only about their own programmes but also about satellite TV programmes and those of neighbouring countries. The magazine is published by the official news agency, MTI and the Hungarian television service, which printed 40,000 copies of the first edition.

West 'must face Gorbachev challenge'

By Michael Evans, Defence Correspondent

The revolution inspired by Mr Mikhail Gorbachev, who had offered deals on foreign policy "unthinkable only a few years ago", had made the West look insecure, the authoritative International Institute for Strategic Studies claimed yesterday in its annual survey of world events.

"That Mr Gorbachev has made the terms *glasnost* and *perestroika* as familiar to us as ham and eggs is a measure of the impact he has had on the world scene, as well as in the Soviet Union," its report said.

If his rhetoric was fully backed by significant actions to diminish tension and enhance stability and security, "an opportunity — indeed a requirement — for new thinking by the US and its allies will have arisen".

The signing of the Intermediate Nuclear Forces (INF)

agreement and the outlines of a strategic missile treaty (Start) suggested that the Soviet Union was prepared to "accept some of the implications of what it has been saying".

The report added: "The Soviet Union's initiatives present a challenge that the West must begin to meet with the confidence that its political, economic and social strengths warrant... There are opportunities in the Soviet challenge. The key to benefiting from them is for the West to be sure of what it is that it wants to gain, and then to make sure that, even while the Soviet Union is gaining, its own goals are also being met."

"If the West appears at the moment to be doubtful, even insecure, about Mr Gorbachev's new thinking, it is partially due to uncertainty about what direction it should itself be taking."

Over the past two years, Mr Gorbachev had put forward more arms control initiatives than the Soviet Union, or the West, had advanced in the previous five. It would be a great mistake if the West found itself constantly in the position of reacting to new proposals without deciding first what its own strategy should be "in an era when new ideas are flying thick and fast".

There was a genuine need for Nato to review comprehensively the West's present options, in particular to examine what exact role nuclear forces were expected to play within its overall defence.

IISS Strategic Survey 1987-88. ■ BRUSSELS: Mr Frank Carlucci, the US Defence

Secretary, told a meeting of Nato defence ministers that Europe had to be seen to be contributing more to its own defence as part of the Western response to the "Gorbachev challenge". (Richard Owen writes.)

He said the Moscow summit was not confined to arms control, and would tackle human rights and regional issues. But arms control remained top of the agenda for the remaining months of the Reagan presidency.

Mr George Younger, the Secretary of State for Defence, said Britain was playing its full part in Allied defence, despite budget difficulties. He doubted whether US "adjustments" in military spending would materially affect the American commitment to Europe but agreed that "some Europeans" could do more.

Boost to Soviet business ventures

Moscow (AP) — A law of "immense" significance, giving more freedom to co-operative businesses, was approved by the Supreme Soviet yesterday, along with two amendments that stemmed from an unusual debate over tax policy and bureaucratic restrictions.

The law that sets tax rates for co-operatives, while giving them broader business opportunities and ensuring that their property may not be seized, regulates a key element of Mr Mikhail Gorbachev's economic reform effort.

It was to have been voted on at a joint meeting of the Supreme Soviet, the Soviet Union's nominal Parliament, on Wednesday. But officials at the meeting said that 22 deputies spoke about the law in meetings of the separate chambers during Wednesday morning and that it was delayed while a commission considered the amendments.

The Supreme Soviet normally only approves laws that have been put forward by the Communist Party. Tass reported on Wednesday that members of the Supreme Soviet had raised objections to

Moscow (Reuters) — The Soviet Communist Party leadership has proposed limits of two five-year terms for elected party and state officials from district level to the top, Tass said yesterday. The proposal, to be discussed at the party conference next month, was approved on Monday by the Central Committee.

But the document contained provisions to allow officials to serve a third term if an exceptional vote was registered, with a three-fourths majority for re-election.

The legislation, and proposed amendments in order "to protect co-operatives from unfounded interference by local authorities".

The law as submitted on Tuesday would permit local governments to collect taxes from the co-operatives, but would allow only national authorities to establish tax breaks for certain kinds of business. One amendment approved yesterday allows local bodies to decide whether certain businesses deserve preferential tax treatment because of high demand for their products or services, and the other calls for a new decree on taxation that allows variable rates based on the type of goods or services involved.

Under the law as presented on Tuesday, personal income taxes would be 27 per cent on a monthly income of 1,000 rubles (about £1,000), and 53.5 per cent on an income of 2,000 rubles. The tax rate eventually reaches 90 per cent. The average industrial worker earns about 200 rubles a month.

Unseasonal Santas greet Reagan in sun-filled Finland

From Michael Binyon Helsinki

Beaming, tired, optimistic about his five days of talks with Mr Mikhail Gorbachev, President Reagan arrived in Finland well after midnight yesterday for a rest, some final preparations and courtesy talks with Finnish leaders.

The sun had only just set when Air Force One touched down at 1.15 am and President and Mrs Reagan were greeted by President Koivisto and his wife.

They held a brief meeting at the airport before the motorcade — including a big black limousine President Koivisto substituted on this occasion for his normal Saab —

swept off to the government guest house. Lining the route were dozens of Finns dressed in Father Christmas garb, proclaiming themselves the Father Christmases of peace.

There may be sound commercial reasons for this idealism, as Finland has done a very nice trade in recent years as Santa's self-proclaimed Arctic home, but the weather yesterday was hardly appropriate. The days of permanent sunlight had almost arrived, and while the White House and the huge travelling circus of Secret Service guards, reporters, anchor men, technicians and their impediments were sleeping off the nine-hour flight and seven-hour time

difference, Finns had long been thronging the bustling streets in brilliant, warm, summer sun.

President Reagan will today deliver an address on human rights in the splendid architecture of the Finlandia Hall, paying tribute to the landmark Helsinki Accords signed 13 years ago.

Finland is receiving the President and his invading entourage with efficient, if restrained, courtesy. Few people are under any illusion that this four-day state visit — Mr Reagan's first to Finland — is anything other than a generous rest, in sparkling surroundings and fresh northern air.

But Finland is now accustomed to

being a landing point on the way to Moscow. Mr George Shultz, the Secretary of State, has been here at least eight times to and from talks with Mr Eduard Shevardnadze, the Soviet Foreign Minister. The Finns, whose own booming economy has been much helped by their close links with their giant neighbour, are happy to play the political role also as Moscow's Hong Kong — the gateway to the superpower.

Appropriately, however, this visit happens to coincide with America's national year of friendship with Finland, proclaimed last September by President Reagan to mark the 350th anniversary of the first Finnish-speaking settlers' arrival in America.

Presidential proclamation, tactfully displayed with flags and pictures by Finns in many shop windows here, paid tribute to these early Nordic settlers who, Mr Reagan said, "introduced European civilization to the Delaware River valley and began the transformation of a vast wilderness. Theirs was the pioneer spirit and virtues that are the foundation of our national character". But even in this second most northerly capital of the world, US domestic politics pursued the President.

As he descended the aircraft steps the incorrigible White House anchorman, with their booming,

showed questions, asked the President whether he was not embarrassed by the middle over the long-drawn-out negotiations for General Manuel Noriega's exit from Panama. The President, clearly embarrassed, mumbled that he was not.

The Finns, blond, hospitable and courteous, went out of their way to make their visitors welcome. They were somewhat irritated — privately — by the Secret Service's obsession with security, which has forced ferries and passenger ships into temporary banishment from their normal landing piers near the presidential palace. But they were ready to give all their visitors a good time on their day off.

West divided over chances of survival for Najibullah regime

Kabul 'porcupine' could still outwit rebel 'fox'

From Christopher Walker, Kabul

Driving through the deserted streets of Kabul earlier this week, after one of the many loud and unexplained exchanges of fire that regularly punctuate the hours of darkness, our diplomatic vehicle was stopped and surrounded by seven members of the Sarandoi, the paramilitary Afghan police charged with defending the capital.

The driver, an experienced Kabul hand with an excellent command of Dari (a must for a reasonably secure excursion after nightfall), asked the supposedly crack Afghan fighters whether the *dushmans* — a pejorative term meaning "bandits", invariably used by the Kremlin to describe the Muslim rebels — had been involved in the gun battle. No, it had been a purely internal affair, responded the Sarandoi unit leader, a spotty youth no

older than 20 clutching a battered AK 47 assault rifle. Then, having checked that no one else was in the vicinity, he and his men gave the thumbs-up signal and loudly whispered the words "Mujahidin, mujahidin", leaving no doubts where their loyalties lay.

Even our diplomatic host, a national of one of the Western countries which has been strongest in its support of the Mujahidin or "holy warriors" who are attempting to overthrow the Moscow-backed Government of President Najibullah, was taken aback at the blatant disloyalty being displayed by men supposedly in the vanguard of Kabul's defences once the final Soviet soldier has departed by February 15, 1989.

The incident, which ended with an exchange of cigarettes

and an invitation (prudently refused) for us to join the unit for tea and *nan*, the local flat bread, was indicative of the deep uncertainty in Kabul about the regime's chances of survival, with both Western and Soviet experts deeply split about its potential.

The Americans have recently revised their initial estimate that the President would remain in power only a month after the departure of the first Soviet units, to predicting that he will manage to hang on until about six months after the last Soviet soldier has gone.

The British, who have the best record among Western diplomatic missions for the accuracy of their forecasts about the volatile Afghan situation, are more cautious, even daring to voice the possibility — however remote

it may now seem — that President Najibullah might survive for appreciably longer.

Even to consider publicly the chances of President Najibullah surviving — both physically and politically — is regarded as close to heresy by the more gung-ho Americans, especially those with close CIA connections. They argue that airing such views to the journalists who descended on Kabul for the Soviet withdrawal would only help to increase the viability of the pro-Soviet regime.

In fact, the British experts — far from having a shred of enthusiasm for the Government — are merely reflecting a wider view that, despite the retreat of the Soviet Army which helped to install it, the Najibullah regime may prove more resilient than appeared likely when the withdrawal was being discussed as a theoretical possibility.

Because of the chronic weakness of the Afghan Army, undeniable despite the enormous amount of hardware the Soviet forces will leave behind, the deep internal feuds in the ruling People's Democratic Party of Afghanistan and the security groups, like the Sarandoi, the consensus of opinion remains that Afghanistan is sooner or later likely to collapse into Lebanon-style chaos, if only temporarily.

Even the departing Soviet military leadership is divided about the ability of the 40,000-strong Afghan Army to survive on its own.

Colonel Alexei Gorokov, chief military correspondent of *Pravda*, was refreshingly open about Soviet differences when he spoke to a small group of Western journalists soon after the first retreating column had crossed back into the Soviet Union. "Some inside our military think the Afghan Army is good, some that it is so-so, and some that

it is very poor," he said. "My own view is that it is a more effective fighting force than it was two years ago."

With half the 100,000 or so Soviet troops due to have left by August 15, that is being seen as the watershed after which the future probabilities for Afghanistan will become clearer. "If the Najibullah regime adopts a porcupine stance, it may be a lot more difficult for the fox, in the

Islamabad (Reuters) — President Najibullah yesterday named Mr Mohammad Hassan Sharq as his new Prime Minister of his Soviet-backed regime, the official Kabul Radio said.

Mr Sharq, a Deputy Prime Minister, replaces Sultan Ali Kishnamand, who becomes the secretary of the ruling People's Democratic Party of Afghanistan, the station reported.

form of the guerrillas, to dislodge it than wishful thinking has led some people to expect," a European military expert said.

President Najibullah has shown a stubborn determination not to offer the opposition forces any real share in power. His supremely confident public appearance belies the threat he faces, not only from the Mujahidin, but also from a coup (possibly spearheaded by the Air Force) and the ever-present likelihood of assassination.

His first real test will come if the guerrillas try and to control of outlying provincial cities like Jalalabad (already abandoned by Soviet forces) or Kandahar, where government control is not complete. But any prediction of a quick Mujahidin takeover must be countered with the reflection that conventional military thinking requires a five-to-one superiority for the takeover of well-defended positions.

The rebels will do best to

concentrate on long-term fifth-column tactics, trying to sap morale from within rather than resorting to more conventional forms of warfare," a Western observer said. "The plan remains Kabul, and if it fails it will be much more likely because its power, fuel and food supply lines have been cut rather than by any all-out mujahidin assault."

Kabul-based Western diplomats have been angered by what they see as recent files analogies drawn in sections of the media with the fall of Saigon in 1975 and the shaming exit of the last US helicopters with South Vietnamese officials desperately fighting for a place.

They point out that the unforgettable scenes took place two years after the departure of American troops, and after Saigon had been conquered by the North Vietnamese Army. "When people are making comparisons with what may happen here, I wish they would get their chronology right," one diplomat snapped.

Yesterday two yellow cranes were reinforcing defences behind the new 25 ft high concrete blast wall erected round the large Soviet Embassy on Kabul's southern outskirts. The flat roof of the Chancery building, bristling with sophisticated communications antennae, certainly looked potentially open to use by helicopters.

But those best acquainted with President Najibullah believe that he is more likely to go down fighting than seeking the soft option of a Black Sea retirement villa. Soviet sources believe that the Soviet Union's increasing economic dominance over Afghanistan, plus its geographical position, would enable it to come to a *modus vivendi* with whatever government might eventually succeed him, even if it was of a much more fundamentalist Islamic hue.

WORLD ROUNDUP

INF accord set for ratification

Washington — US-Senate negotiators have cleared an important hurdle and are confident that the INF Treaty will be ratified by tomorrow at the latest, in time for the summit in Moscow (Molins Ali writes). Democratic and Republican leaders expressed the hope that remaining disagreements over the voting timetable and the Senate's treaty interpretation powers will be resolved.

The big obstacle was removed on Wednesday when Senator Jesse Helms, the Republican who is the treaty's leading opponent, gave up his stalling tactics. He said: "I would admit that I am licked, if that's what you want me to say."

Mr Howard Baker, the White House Chief of Staff, is standing by to take the Senate's approval resolution to President Reagan so that he can exchange the ratification documents with Mr Mikhail Gorbachev during the summit.

Visitor tax scrapped

Sydney — Passenger power has forced the Australian Government to scrap its unpopular arrival tax of \$AUS 5 (about £2) for visitors and to slash the departure tax of \$AUS 20 by half (Christopher Morris writes).

A revolt by thousands of airline passengers, who refused to pay the controversial taxes, was applauded yesterday by airlines and tourism officials as the reason for the changes announced by Mr Paul Keating, the Treasurer, in a mini-budget. A dispute between Canberra and airlines over the arrival tax had threatened to end in the High Court.

Baby ban on mother



Phoenix, Arizona (AP) — Debra Ann Forster, aged 18, (left) has been ordered to remain on birth control for the rest of her child-bearing years after admitting abandoning her two young sons, Judge Lindsay Ellis Budzyn, banning her from seeing her children, said: "Your case represents the epitome of what's wrong with our society: a child having children." Her lawyer objected that the sentence violated her constitutional rights.

Murder campaign

Manila — Communist guerrillas have stepped up a murder campaign around the American Clark air base 50 miles north of Manila, during talks on the future of US installations in the Philippines (Gavin Bell writes). A village official was shot dead yesterday, bringing deaths among Filipino soldiers and officials to more than 20 this month.

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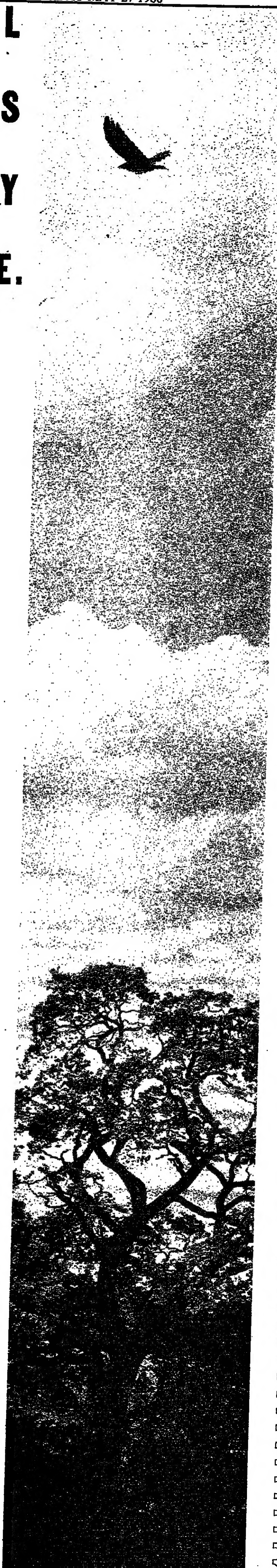
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Feelings shift in Marseilles on returning 'outsider' to Parliament

Right-wing tide ebbing in Le Pen's stronghold

From Philip Jacobson
Marseilles

There are more welcoming spots than the Yacht Bar to take an afternoon pastime in the Vieux Port quarter of Marseilles. Plastered with posters of M Jean-Marie Le Pen, it is the unofficial headquarters for the most fervent National Front supporters, frequented by large men with cropped hair, tattooed forearms and no great liking for visiting journalists.

The publication of two opinion polls suggesting their hero could be in trouble in his search for a parliamentary seat in France's second city did nothing to improve the ambience. They felt that if *Paris-Match* said that M Le Pen only has 27 per cent of the votes against the Socialist candidate's 35 per cent, if a local newspaper's poll showed that more than 50 per cent of Marseillais hope he gets beaten, that's the lying French media for you.

True to form, the National Front

leader hit back with threats of "action" against the polling organization. As M Le Pen enjoys reminding us, almost a third of the voters in the eight districts — the city's largest and one of its more affluent — backed him in the first round of the presidential election. "You all know me, Jean-Marie, candidate in this quarter," he said confidently on his first walkabout in the streets of St Marcel.

And so they do, but something seems to have changed since his ecstatic reception in Marseilles towards the end of the presidential campaign. Confronted by the man, the locals seemed curiously reserved, resisting the candidate's best efforts to pep things up. A butcher refused to have him in the shop, a few early drinkers barely looked round from the bar, and several young men of Arabic descent turned their back.

Over in the Valentine corner of the constituency, still something of

a village, there were doubts whether a native Breton like M Le Pen could really understand Marseillais voters. Nor is his living in some style near Paris a great recommendation in a port that might be down on its luck but still cherishes a fierce sense of being special.

The alacrity with which M Le Pen, and two senior lieutenants who also sat in the old parliament, have "parachuted" from their previous constituencies into more winnable seats in Marseilles also rubs people up the wrong way.

"It was easy enough giving him my first vote for President because I knew he hadn't got a chance," said the owner of a small restaurant. "But we send deputies to the National Assembly to look after our interests here, and I'm worried that he's more concerned about promoting himself and the party line."

M Le Pen's response, quick and

assured as ever, is that as a Breton fisherman's son "I share the sea with the Marseillais." To emphasize this commitment to the city, he declared that he would be proud to run for mayor in next year's municipal elections "if the Marseillais want me".

The threat posed by M Le Pen naturally dismays the local Socialist hierarchy. This is, after all, the late Gaston Defferre's old fiefdom, the city he ran for several decades as a Socialist mayor and deputy.

There was a moment when it seemed that M Le Pen would run for the great man's former seat, where he collected 29.9 per cent of the first-round presidential votes. The Socialist who succeeded Defferre is M Philippe Sanmarco, a talented and respected politician who finds the prospect of M Le Pen representing Marseilles in any capacity appalling. "Our credibility would be shattered," he said.

But like other leading figures in

today's Socialist city administration, M Sanmarco acknowledges that the National Front is no longer regarded as a particularly extreme right-wing party in Marseilles and much of the surrounding region. Deft exploitation of the protest vote has provided it with firm footholds in local government.

With many National Front candidates in the Midi likely to achieve the 12.5 per cent required to go through to the run-off, he can effectively torpedo the hopes of many mainstream conservative candidates if the newly emerged Union of the Rally and the Centre persists in rejecting an electoral deal.

Back in the eight districts, M Le Pen seems to have been playing the racial card with rather more restraint than in previous forays in the city — a reference here and there to alien hordes dropping anchor in Marseilles, an ugly jibe about the famous Alcazar having

become "an Arab supermarket", but nothing really hair-raising yet. It is possible that his political instinct tells him that, when it comes to electing deputies, Marseilles prefers candidates to talk about things like jobs and housing. Despite the huffing and puffing over "fraudulent" opinion polls, M Le Pen might even have had a sneak preview of the revealing survey published in *Marseilles* yesterday by *Le Meridional*.

This concluded that only 11 per cent of the city's electorate will be guided by "immigration policies" (the code for the North African issue) in choosing who to back in the first round on Sunday week, while proposals on law and order — the central plank in the National Front's platform — attracted a mere 7 per cent. Against that, 28 per cent of voters rated tackling unemployment as the most important issue, and 21 per cent put economic programmes at the top of their list.

Chinese floods claim 117 lives

Peking (AP) — Flooding in southern China has killed 117 people and injured nearly 500, most of them in the south-eastern province of Fujian, where 82 have died, according to official reports and the *China Daily* newspaper.

A photograph in the paper showed only basketball hoops above water at a playground of the No. 2 High School in Jianyang County. The heavy rains were expected to continue today.

In Jiangxi province, three people died and 60 were injured at the end of last week, while 32 died in Hunan province. More than 730,000 people in Fujian province have been trapped by the flooding, which has also damaged 56,750 homes and destroyed 860 bridges and 1,550 irrigation works.

Tamil battle

Colombo — The Liberation Tigers of Tamil Eelam said they killed 25 Indian soldiers in a fierce battle in northern Sri Lanka, while the Indian High Commission said eight troops and 23 rebels died.

River polluted

Sarnia, Ontario (Reuters) — About 26,000 lb of acrylonitrile, a highly toxic chemical and suspected carcinogen used to make rubber, poured into a Canadian river here, forcing four water purification plants to shut down to avoid poisoning drinking water.

Arms blast

Lusaka (AP) — Explosions at a military arms dump in Kabwe, central Zambia, killed one person and wounded 48 others, including women and children.

Aids deaths

East Berlin (Reuters) — East Germany has 44 people infected with the AIDS virus and three have died from the disease.

Nuclear test

Wellington (AP) — In the second underground nuclear test at Mururoa Atoll this year, France has detonated a bomb equivalent to 80,000 tonnes of dynamite, its biggest since 1985 in the South Pacific, scientists said.

New law chief

Moscow (AP) — The Soviet Union's chief prosecutor, Mr Alexander Reznikov, has retired for health reasons and been replaced by one of his senior assistants, Mr Alexander Sukharev, Tass said.

Prince fined

The Hague (AP) — The Dutch Crown Prince, Willem Alexander, aged 21, was fined 300 guilders (£85) for reckless driving after a weekend road accident that wrecked his car.

Hammer gala

Washington (Reuters) — Dr Armand Hammer, the US industrialist and arts patron, celebrated his 90th birthday at a symphony concert, where he received birthday greetings from the Prince and Princess of Wales, President Reagan and Mr Mikhail Gorbachev.

Tehran offers to sell banned Stinger to Arab states in Gulf

By Andrew McEwen, Diplomatic Correspondent

Iran has offered to supply US Stinger missiles to Arab countries which have been refused them by Washington.

A highly-placed Arab source told *The Times* that Tehran had received enough of the weapons from sympathizers in Afghanistan to make some available to its neighbours.

The source confirmed earlier reports from diplomatic sources that Qatar had already bought some Stingers from Iran and that the missiles were now on offer to another Gulf nation.

The US Administration was prohibited from giving, selling or leasing Stingers to Gulf nations under a law passed by Congress last December. The legislation was intended to prevent the weapons falling into Iran's hands, but Tehran has obtained them from Afghan guerrilla groups — which have received much American help — and turned the ban to its diplomatic advantage.

The light shoulder-fired missiles have acquired a prestige far beyond their military importance because of their apparent role in helping to bring about the Soviet withdrawal from Afghanistan.

The source said that Iran's offer showed the futility of the ban, adding that it was amusing that Tehran was able to use US weapons to extend its influence in the Arab world.

The Iranian proposition will not necessarily be taken up, partly because some Gulf countries would not want to be seen to help Tehran cock a snook at Washington, but also because the Stinger is not the most suitable weapon.

The Stinger has been called the ideal anti-aircraft missile for guerrilla warfare, weighing only 35 lb and having greater versatility than the British Blowpipe missile. But Gulf armies are tending to emphasize different technical requirements better suited to a larger-scale conflict.

The US congressional ban has helped the sales prospect of Soviet and British weaponry. The source said that some of his colleagues in other Arab countries had already bought the latest Soviet Sam missiles after being refused Stingers.

Britain is offering the Javelin missile, made by Short Brothers, which is a larger vehicle-carried weapon more suitable for the type of combat that could be expected in the Gulf.

One possible customer is

● The missiles have a prestige far beyond their importance ●

Oman, which has applied to buy Stingers. The current banning legislation expires on September 30 and the Omani forces say that they expect to remain interested in buying the missiles after that date.

But the bad impression created by the US legislation has helped Britain to make its case that the heavier, more expensive Javelin is better for Oman's needs.

Mr Cranwell Montgomery, the US Ambassador to Muscat, has appealed to Congress to make a "limited exception" for Oman. It is unusual for an ambassador to approach Congress directly, but the move had the approval of the Administration, which had already failed in its own approach.

Senator Dennis DeConcini, a Democrat from Arizona who brought about the ban on Stinger sales, has said it would not be appropriate to make an exception.

Critics of Washington's large-scale support for the Mujahidin guerrillas have long argued that the US Administration, in its determination to force a Soviet withdrawal from Afghanistan, was creating future problems.

Two of the seven parties in the Mujahidin alliance have been seen as natural allies of Tehran because of their similar political views.

● **BAHRAIN:** Baghdad has inflicted two important battlefield defeats on Iran in the past few weeks, forcing Iranian forces out of heavily defended and long occupied positions inside Iraq (Reuters reports).

The offensive on Wednesday in which elite Presidential Guards ousted Iranians entrenched south of the port city of Basra would have been unthinkable a year ago. It followed a convincing victory on Iraq's Fao peninsula in the southern battlefield in the second half of April.

In Wednesday's action, Iran said it staged a strategic withdrawal across the Shatt al-Arab waterway back across the border during nine hours of fighting.

But after 7½ years of fighting, Iraq seems to have moulded its Army into a fighting machine capable of sustaining a big thrust against determined Iranian opposition.

"I think they will try to push Iranian troops out of Iraq back to the international borders," said a Iraq-based Western diplomat. "But they must do it all along the border, from the north to the south," he added.

Another Western diplomat said he believed Iraq wanted to take advantage of what he termed political confusion in Tehran.

"They were encouraged by their successes in Fao and had to act before the new Iranian Government had fully settled in," he said.

Iran held parliamentary elections in mid-May in which the balance of power tilted away from conservatives to the radicals.

One defence analyst said the Iranians had "missed their chance this year and they have paid the consequences".

ANC in secret talks with white liberals



Mr Thabo Mbeki, the deputy head of the outlawed ANC, right, and Mr Wynand Malan, the president of the South African opposition group, the National Democratic Movement, before the start of their talks in a Frankfurt hotel yesterday.

Bonn — Leading members of two South African opposition groups, the banned African National Congress (ANC) and the recently formed National Democratic Movement, met in secret in Frankfurt yesterday (John England writes).

The subjects of the talks between four ANC representatives led by Mr Thabo Mbeki, the deputy chief of the organization, and seven National Democratic Movement members under their president, Mr Wynand Malan, a former National Party MP, were not immediately disclosed.

The location of the talks, which came after similar meetings in Dakar and Lusaka, was also kept secret.

In Bonn yesterday Chancellor Helmut Kohl of West Germany told South African church leaders that he would oppose the South African Government's planned measures to restrict financial aid for their churches.

Pretoria's new law to curb the foreign financing of anti-apartheid organizations was the main topic of talks between Herr Kohl and representatives of the South African Roman Catholic bishops' conference and the South African Churches Council.

The West German Federation of Wholesalers and Importers, however, has condemned a decision by several big department store chains not to sell any more produce from South Africa.

● **JOHANNESBURG:** Two white South African policemen convicted of having murdered a black youth they had beaten so severely that they did not dare leave him alive were sentenced yesterday in the Supreme Court at Grahamstown, Cape Province, to death by hanging (Michael Horsley writes).

Mr Justice N. W. Zietsman, after hearing evidence in mitigation from defence counsel, said he could find no extenuating circumstances. The death penalty was therefore the only sentence that the court could impose.

Constable David Goosen, aged 27, and Warrant Officer Leon de Villiers, aged 37, showed no emotion as the judge passed sentence.

Four white policemen convicted of murdering blacks are now among the scores of people awaiting execution in South Africa. As of May 5, there were 274 people, nearly all black, on Death Row in Pretoria Central Prison.

Goosen and De Villiers were charged on two counts of murder over events in the black section of Cradock, in the Eastern Cape, during July, 1986, a time of widespread unrest in black townships. They were acquitted on one count, but found guilty of the premeditated killing of Mlangisi Stuurman, aged 18. The court found that Goosen, with the connivance of De Villiers, had shot the youth dead after severely assaulting him.

The White House race

Campaign turmoil as Bush aide quits

From Christopher Thomas, Washington

Mr George Bush's US presidential election campaign plunged deeper into turmoil yesterday with the resignation of a long-time confidant after weeks of bitter internal conflict over how to revive the Vice-President's lacklustre bid for the White House.

Mr Peter Tealey, his communications director, who has been a close adviser for more than a decade, told Mr Bush that he felt he had been deliberately excluded from campaign strategy, making it impossible to perform his job.

The new upset in the Vice-President's campaign comes when he is suffering a precipitous drop in opinion polls, with Mr Michael Dukakis, his Democratic rival, consistently in the lead by a wide margin.

At this early stage, the Massachusetts governor is still enjoying an easy ride in the press. Mr Bush has been constantly dogged by unfriendly headlines. The polls can only be regarded as a true indication from September, when the campaign will be in full swing.

The turmoil in the Bush camp has created an atmosphere of suspicion and distrust, according to one source, with disciplinary action being taken against a number of aides suspected of insufficient loyalty or of leaking stories to the press.

The Vice-President was infuriated when he read criticism of one of his speeches from an unnamed aide, and

ordered the culprit to be identified and sacked. He also ordered an investigation to identify which aide told the press how difficult it was to get Mr Bush to disagree publicly with President Reagan over Panama policy.

Mr Bush's campaign lacks any fire. Many aides complain that he is far too low-key, distant and cautious, hardly ever talking to the national press, and appearing constantly harassed by questions about his involvement in the Iran-Contra scandal. Invariably, he handles such questions with a dismissive wave of the hand.

Mr Tealey is not leaving Mr Bush's campaign altogether, although a new job has not yet been assigned to him. "In my job you have to have deep involvement in a campaign, and total access," he said. "If you don't have that, you are not effective."

The Vice-President is also locked in a damaging conflict with Mr Jim Wright, the Democratic Speaker of the House of Representatives. Mr Wright raised questions about Mr Bush's ethical standards because of the Iran-Contra affair, and said an independent counsel should conduct an investigation.

In reply, the Vice-President called for an independent counsel to investigate allegations by Common Cause, a public interest group, that Mr Wright intervened with senior federal banking regulators on behalf of Texas savings banks.

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Austrian leader's war record

Waldheim 'cleared' by US Nazi-hunters for government job

By Robert Fisk

The Austrian government official who first vetted Dr Kurt Waldheim for a position in the Vienna Foreign Ministry in 1945 has said that he was employed only after two American intelligence officers had promised specifically that the future Austrian President had not been involved in war crimes and did not appear on any Allied arrest lists.

Herr Fritz Molden, who in the autumn of 1945 was personal and political assistant to the *de facto* Austrian Foreign Minister, Dr Karl Gruber, named the Americans as Captain Charles Von Rippen, of the Office of Strategic Services, and Lieutenant Robert Kauf, an intelligence officer in the US Army's Counter-Intelligence Corps in Vienna. Both are now dead but Lieutenant Kauf's widow — who lives in Chicago — says that her late husband was unlikely to have given clearance because "he believed Waldheim was a Nazi".

Herr Molden says he knew both men because he had himself worked with the OSS until July 1945, three months before Dr Waldheim arrived, apparently unannounced, at his office in the Foreign Ministry looking for a job.

His contacts with US intelligence operatives continued, and led to friendship with Mr Allen Dulles, the CIA chief, whose daughter married Herr Molden in 1948.

Herr Molden says that Captain Von Rippen died in about 1960. Lieutenant Kauf, later to become professor of German at the University of Illinois in Chicago, died in 1981. "They were friends of mine," Herr Molden said. "They were in the OSS and the CIC, organizations that had nothing to do except hunting Nazis. Both of them said to me 'We have nothing on Waldheim — he's all right'. They possessed automatic arrest lists and lists of war criminals."

Professor Kauf's widow, Mrs Helga Bertram-Kauf, said yesterday that her husband was an Austrian-born Jew who had escaped the Holocaust only by being sent to Britain as a schoolboy in 1938. "I can't see how he would have 'cleared' Waldheim," she said, "because I remember his reaction when Waldheim was made UN Secretary-General. He said 'This couldn't have got a better Nazi'. My husband was not a man to make such statements lightly. He must have had some evidence. He never liked Waldheim. He thought there was something fishy about him."

There is no record that Dr Waldheim ever joined a Nazi party, although according to

German army records he did become a member of the National Socialist German Students League on April 1, 1938; in November that year he joined the Nazi SA (Stormtroops) Riding Unit.

Herr Molden says that Dr Waldheim never mentioned his experience as an intelligence officer in General Alexander Lohr's Wehrmacht Army Group E in the Balkans — a unit that committed many wartime atrocities — when he joined the Foreign Ministry.

Dr Waldheim's name did in fact appear on an OSS list of German officers in April 1945. The CIA still refuses to disclose that list for public inspection.

According to Herr Molden, Dr Waldheim first appeared at his Foreign Ministry desk in late October or early November, 1945, some six months after the former Wehrmacht *Oberleutnant* had been "debriefed" by US officers at the Bad Tölz prisoner-of-war camp in western Germany.

"Waldheim came to me by mistake — he was looking for the ministry's personnel department," Herr Molden said. "I asked him out of curiosity who he was. He told me about his educational background and I said to him 'you seem to be an interesting candidate' and I telephoned personnel."

"Dr Gruber (the Foreign Minister) had just fired his other personal secretary — he had two, and I was one of them — and I wanted to get rid of the extra workload that had fallen on me. So I thought this (Waldheim) would be our man. Our Foreign Ministry was very understaffed then, very short of personnel; many of our people had been killed — in the German Army, in the concentration camps if they opposed Hitler, or banned from work after the war if they had been Nazis. We were looking for new people and I thought, 'Well, Waldheim appears to have done very well'."

Herr Molden says that Dr Gruber was interested in Waldheim but wanted his background checked. "You have to remember we didn't want Nazis. I didn't do just a

normal routine check on Waldheim. I went to the Under-Secretary of the Interior Ministry, Ferdinand Graf, and then to Oscar Helmer, the Minister of the Interior. They came up with 'zero' on Waldheim, just an old document from a Nazi *Gauleiter* saying that Waldheim was against the Nazis. Then I went to the OSS and the CIC, my old wartime colleagues."

Dr Gruber, who lives in retirement in Vienna but says he keeps in almost daily contact with Dr Waldheim, largely confirmed Herr Molden's account. "Fritz Molden found Waldheim for me," he said. "Molden had been a US officer. He said to me 'this man is our man'. Then I said: 'Fritz, go out and look and see if there's anything on Waldheim' and he went out and came back and said: 'There's nothing'. He went to the Americans and also to the British."

"I knew that Waldheim was a lieutenant in the Austrian Army before Hitler, then became part of the German Army and was sent to Russia in 1941. He talked many times to me about how he was shot down from his horse by a Russian partisan."

"He would always retell how his soldier comrades carried him around on a stretcher in the snow for days when he was dying, but eventually found a doctor and saved his life. That was the basis of his thinking about soldiering and camaraderie. That was what made him say recently that he had 'done his duty' when he served in the Army."

"Yes, he talked also about the Balkans. He said his problem was that he was a linguist, otherwise he would have been involved out with his wound rather than going on to Yugoslavia and Greece. It was bad luck. He said he only worked in an office there. He had to read all the documentation and sign it. We talked a lot about these things. He said he was only 'a butterfly'. He used to tell the story about being shot down from his horse very often. I would say to him: 'Stop, please, with this damn story — I've had it too many times before'."

Dr Waldheim's office in Greece was responsible for interrogating captured British commandos, several of whom were later murdered.

A Ministry of Defence spokesman in London said this week that the British inquiry into Dr Waldheim's possible involvement was continuing and that it was still the Government's intention to publish the ministry's report.

Camp hit in helicopter raid



Palestinians viewing the damage caused to the Ain el-Hilweh refugee camp near Sidon after an Israeli helicopter night attack which killed one person, left four injured and destroyed a vegetable market. Israeli planes returned at first light yesterday to bomb the ruined village of Lowajeh for the second day running (see Murray writes). The raid was said by a military spokesman to be directed against buildings used by the Hezbollah (Party of God) militia for planning raids against Israeli and the so-called "security zone" inside the Lebanese border. Earlier, the spokesman had said that the ground operation centred on Lowajeh had been completed. More than 500 Israeli troops were sent into Lebanon on Tuesday evening to provide an artillery

barage to soften up the area before it was combed on Wednesday by men of the "South Lebanon Army" militia, which Israel supports. According to reports from southern Lebanon, about 20 Hezbollah gunmen were killed and another 25 were wounded. Five SLA men were also reported to have been wounded. Lowajeh, which was said to have been turned into a Hezbollah stronghold, was not totally destroyed, although the SLA did blow up several buildings.

Student stabbed: A Yeshiva (Bible college) student was stabbed in the back in the Muslim quarter of Jerusalem, where another Yeshiva student was stabbed to death last year. He was taken to hospital with the knife embedded in his back and was later said to be out of danger.

Taxmen strike a painful blow at the Arab uprising

From Ian Murray, Beit Sahur, Occupied West Bank

The taxmen came at first light yesterday, sealing off the roads in and out of this ancient town on the edge of Bethlehem. The taxmen's roadblocks are becoming more common in the occupied territories, perhaps because they are proving more effective than soldiers in calming the *Intifada* (uprising).

Before morning was out 70 people had been stopped and found, by a check through a central computer, to be behind with tax payments. The immediate penalty was forfeiture of a precious identity card, and with it mobility, until the tax is paid.

With the underground leadership of the uprising calling for contributions to be withheld as part of a civil disobedience campaign, the taxmen's roadblocks are one of the bureaucratic ways of crushing the resistance of the businessmen whose earnings are vital to the economy of the territories.

On the edge of Beit Sahur is the Jordan Plastic Company, one of the bigger enterprises on the West Bank, which had a monthly turnover of about £330,000 before the unrest began last December. It sold three-quarters of all the household plastic goods, such as buckets and dish-racks, in the territories. About 20 per cent of production was sold to Israel and another 10 per cent to Jordan.

Last week, however, its 200 workers were sent home on indefinite unpaid leave and prospects are bleak. Mr Issa Abu Aitah, the managing director, said: "We cannot move about freely inside the West Bank."

"It can take a week to get a permit to take goods to Gaza and they give you hell when you apply for one. You must ask for one from the military government, prove you have

paid your VAT, your income tax and your municipality dues. Then you have to get a stamp from the local Mukhtar (clergyman)." Bureaucratic problems in exporting to Jordan have multiplied — a permit can take up to two weeks to obtain.

On top of that, the closure of roads has messed up delivery schedules. Drivers can take a load many miles away and then not be allowed through. The result has been that shopkeepers have started to buy rival Israeli products which have guaranteed delivery and are being sold at reduced prices backed by better credit terms.

Jordan Plastics Company's sales have dropped by 55 per cent and only by stopping production, laying off staff, and trying to sell accumulated stock can the company hope to continue.

The Taco tissue-paper factory on the outskirts of Ramallah has been suffering from similar problems. Its staff of 100 are still on full pay although only 20 are working.

Six months ago the founding family was planning its biggest expansion to provide jobs for up to 600. The half-built factory extension was built round what is said to be the only paper-nappy machine in the Middle East.

The machine was supplying all paper nappies used in the West Bank and trade was growing as Arab mothers switched from cloth nappies.

Now most of the machines are inaccessible, stacked high with stocks of unsold products. The impossibility of ensuring regular delivery meant shopkeepers have switched to Israeli products.

So far no workers have lost a day's pay, but Mr Mohannessian said it could not last much longer.

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WHATEVER SHAPE YOUR GARDEN'S IN

Africans still trying to make unity a reality

From Andrew Becklake, Addis Ababa

The streets of Addis Ababa are illuminated with coloured lights like Christmas decorations for the 25th anniversary summit of the Organization of African Unity.

But the celebratory cutting of cakes and planting of trees are in sharp contrast to the vicious battles taking place 400 miles to the north, as the Ethiopian Army attempts to reverse the recent successes of the Eritrean and Tigrean secessionist movements.

One in five of the OAU's 50 member states are involved in civil wars or border disputes, and its objectives of peace, prosperity and unity appear no closer than they were in the heady days of 1963. The issue of South Africa and Namibia is probably the only thing that keeps the grouping together.

Thirty heads of state have arrived for the summit. Many are reluctant to be absent from their capitals. Of the 32 "founding fathers", two-thirds were ousted in coups. Only six died peacefully in office or retired voluntarily.

Some of Africa's leaders are known to have little time for the OAU's resolutions, dictated by the rivalries and political differences between most of the members. Several are expected to leave early. As President Babangida of Nigeria said: "There is only one thing on which we are all agreed — the total liberation of Africa."

Although the final resolutions are not expected until tomorrow, most of them can be safely predicted. They are almost the same every year, and little action results. In the lead will be calls for comprehensive sanctions against South Africa and increased support for the African National Congress, the Pan African Congress and the South-West Africa People's Organization, although mem-

bers are currently \$12 million (about £6.6 million) in arrears to the liberation fund.

There will also be a renewed appeal for an international conference, first proposed in 1985, on Africa's \$200 billion debt. Many African countries have shrinking economies and are unable to service their debts. The call will be associated with proposals for increasing trade between African states, although this currently accounts for only 4 per cent of total external trade.

Some progress may be achieved on some of the continent's civil wars and border disputes. The *ad hoc* committee on Chad, which helped arrange a ceasefire between Libya and Chad last year, may make further gains.

Colonel Muammar Gaddafi, the Libyan leader, seemed to be offering important concessions — though not the return of the Aozou Strip in a speech in Tripoli on Wednesday, but most observers think he was just trying to upstage the OAU. Speculation that he might make a dramatic and unheralded appearance here was, as usual, encouraged by the conspiratorial behaviour of the Libyan delegation, but proved unfounded.

Mr Sadiq el-Mahdi, Sudan's Prime Minister, is probably as keen as President Mengistu of Ethiopia to close their mutual border.

The Eritrean and Tigrean rebel movements in northern Ethiopia depend on supply routes through Sudan. In the same way, rebels in southern Sudan depend on support from Ethiopia. Even if a deal were done, however, it is hard to see how it could be enforced.

The Eritrean People's Liberation Front claims that it repulsed a counter-offensive by government forces earlier this month, and though its

casualty claims may be exaggerated, they indicate heavy fighting.

The equally inaccessable war in southern Sudan is also believed to be causing thousands of casualties, civilian and military.

The two civil wars place a total of about seven million people — five million in south Sudan and three million in northern Ethiopia — at the risk of starvation.

PARIS: The declaration of Colonel Gaddafi on Wednesday in recognizing the Government of Chad has shown that he can still upset the African apocryphal while extracting himself from an increasingly tight corner (Susan MacDonald writes).

First the Libyan leader refused to attend the OAU summit in order to avoid meeting President Habré of Chad.

Then he countered all the mutterings against him in the Ethiopian capital by announcing from Tripoli his "present to Africa". He declared himself ready to end hostilities in Chad, ready to recognize Mr Habré as its president, and ready to organize a reconciliation in Tripoli between Mr Habré and his chief Libyan-backed adversary, Mr Goukoni Weddeye.

He said he was also ready to help reconstruct the north of Chad bombed by Libyan aircraft, to return all prisoners of war, and to renew diplomatic relations with moderate African states.

The head of the OAU's committee on Chad, President Bongo of Gabon, has tried repeatedly to organize a meeting between Colonel Gaddafi and President Habré, but the Libyan leader had demurred. The committee has also been unable to decide whether the disputed Aozou Strip belongs to Libya or Chad.

"I am never prepared to sacrifice long-term profitability for short-term gain.

I always look for the unexpected solution to problems, as well as the obvious.

I plan ahead.

I do not expect my enterprise to remain static, but to diversify and grow.

I recognise the need to make connections - between design and production, between production and retailing and between retailing and supply.

I look at other countries, as well as my own. Yet I try not to lose sight of what it is that makes us special."

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"I think, therefore IBM."

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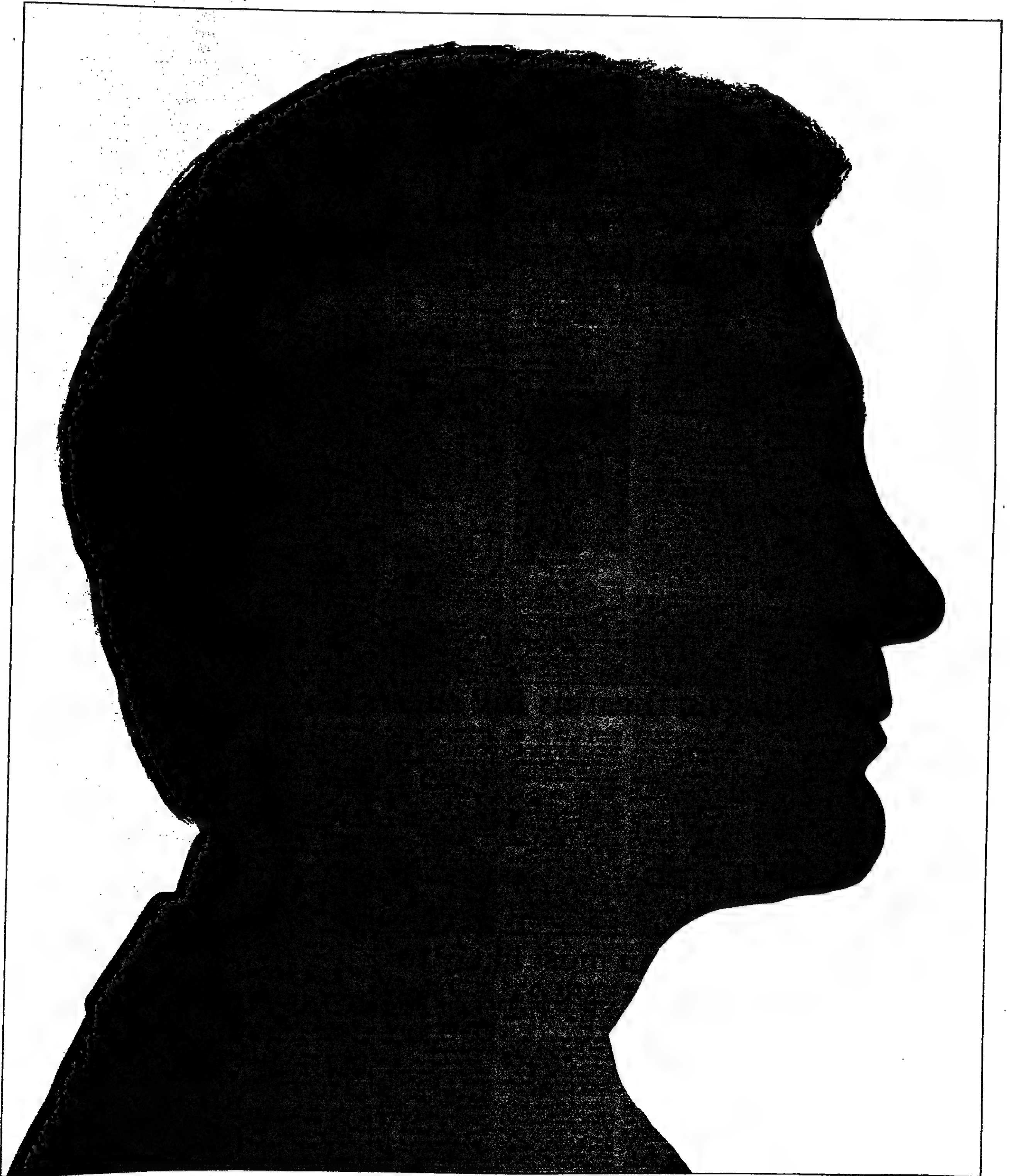
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PARLIAMENT

'For sale' sign on Britain, says Kinnock

Mr Neil Kinnock accused the Prime Minister of talking rubbish when she defended the Government's decision not to refer the Rowntree takeover bid for Rowntree to the Monopolies and Mergers Commission.

The decision had put up the "for sale" sign on Britain, he said, to protests from Conservative MPs, during question time.

The Leader of the Opposition began by saying: Yesterday Conservative MPs described the decision on Rowntree as "a regional assassination", "a welcome to gumpsters", "a dangerous signal to predators".

I and my colleagues agree with them. Sixty of her supporters agree with them. Why doesn't she agree with them?

Mrs Thatcher: The Secretary of State for Trade and Industry (Lord Young of Graham) made his decision. He explained the full reasons for it. Mr

PRIME MINISTER

Kenneth Clarke announced it in this House.

The future of Rowntree is now in the hands of the shareholders. The decision of Lord Young was not to intervene and he took it on the ground of advice from Sir Gordon Borrie, director-general of the Office of Fair Trading.

Mr Kinnock: With this decision on Rowntree, she gives the all-clear to foreign takeover predators in any industry. Doesn't she realize that with this decision she has put a "for sale" notice on Britain? (Loud Conservative protests)

Mrs Thatcher: No. Each particular bid is dealt with on competition grounds and also with the residual public interest. According to the latest figures, for 1987, the UK has £94 billion worth of investment overseas and the world has £35 billion in Britain.

The fact is that this country has done extremely well by

having an open economy, being able to stand up to competition and having got rid of exchange controls. That is because of its standard of living.

If you cannot stand up to competition, you have to go back to the closed economy, of which he is such an ardent exponent and which was such a calamity for Britain.

Mr Kinnock: The Prime Minister is talking rubbish (Conservative protests)

Could she explain to us, as she preaches the virtues of competition, how competition is enhanced by the takeover of one of the major confectionery firms in the whole of Europe?

Mrs Thatcher suggested that he should read both Government statements on Rowntree. They were dealing with competition against a European background.

"I notice that his home constituency has an advert in the magazine, *Airport*. It was an advert urging people to come to invest in Islay. 'Not from abroad'. That is not what he wants."



Mr Robin Cook, accompanied by Mr Stanley Orme (left) and other parliamentary colleagues, on their way yesterday to Downing Street with letters they have received about the new housing benefit rules. Later, in the Commons, Mr John Wakeham, Leader of the House, promised to make inquiries after his Labour opposite number, Mr Frank Dobson, complained that the police had refused to allow some of the accompanying Labour MPs to go to No 10

Hint of Ulster jail review

Mr Tom King, Secretary of State for Northern Ireland, is considering whether to conduct a special review of the cases of the remaining prisoners in Northern Ireland who had been detained at his pleasure. No decision had yet been taken.

He said that since February 1987 he had released 15 prisoners who had been sentenced to detention at the Secretary of State's pleasure. They were released on licence which remained in force indefinitely.

The Government tried to look sympathetically at those dragged into terrorist crimes at a very early age.

Sir John Bagg-Davison (Epping Forest, C) said that none of those released by the Secretary of State had returned to crime.

Mr King said that none of those sentenced to detention at the Secretary of State's pleasure and released had been convicted of further offences.

Ship details awaited

The Government was waiting for details of the proposed "ultimate dream cruise liner" which might be built at the Harland and Wolff shipyard in Belfast, Mr Peter Viggers, Under Secretary of State, Northern Ireland Office, said at question time.

It was still a conceptual project and when costings were received they would be considered carefully and sympathetically. It was too early to say what the response would be and what subsidy, if any, the Government would give.

More cars imported

About 750,000 new cars were registered in the United Kingdom at the first four months of this year, 54.5 per cent of them imported. The number of registrations was an increase of 10 per cent over the corresponding period of 1987, when the percentage of imported cars was 49.4 per cent, said Lord Beaconsfield, a Government Whip, said during questions in the House of Lords.

The Ford dispute had an impact on the higher percentage of imports this year, he added.

Bill approved

The Dartford-Thurrock Crossing Bill, to allow a new road bridge to be built over the Thames at Dartford, was given a third reading in the House of Lords and completed its passage through Parliament.

Parliament after recess

The main business in the House of Commons after the spring recess is expected to be: Tuesday, June 7: Criminal Justice Bill, progress on remaining stages; June 8: Debates on Opposition motions on Nestlé's bid for Rowntree and on British Aerospace's bid for Rover; June 9: Housing Bill, progress on remaining stages; June 10: Debate on women's health.

The main business in the House of Lords is expected to be: Monday, June 6: Local Government Finance Bill, committee, third day; June 7: Local Government Finance Bill, committee, fourth day; June 8: Debates on the Middle East and on poverty and debt in Africa; June 9: Local Government Finance Bill, committee, fifth day; June 10: Debate on Hong Kong.

Parliament today Commons (9.30): Spring adjournment debates.

Ministers 'inept over Rowntree'

A Conservative MP accused ministers of being "perverse, if not actually positively inept," in the way that the proposed takeover of Rowntree by Nestlé had been handled.

Speaking during the Wednesday adjournment debate, which had been delayed until after 5pm on Thursday, Mr Michael Atkinson (Selby), former Parliamentary Private Secretary to Mrs Thatcher, said that the Government had recognized that the Swiss were more restrictive than Britain on takeovers of domestic companies, but had failed to close the doors on Nestlé until "they open their door to us".

"Rowntree will be the victims of this error of judgement, as I see it, on the part of the Government."

Replying to the debate, Mr Francis Maude, Under Secretary of State for Trade and Industry, promised that the Government would look at the rules of the Stock Exchange on takeovers, which one MP said

had hampered Rowntree in its effort to oppose the bid.

The debate was initiated by Mr John Gresswell (Ryedale, C), who said that bids could be referred to the Monopolies and Mergers Commission on the ground of lack of reciprocity with other countries. "If even a Swiss interest in Rowntree must be that case", he said.

Mr Cosal Gregory (York, C): The Swiss are not playing free and fair competition. He described Government policy on mergers as confused.

Sir Giles Shaw (Pudsey, C), a former Minister for Industry, said that it was extraordinary that Rowntree was hampered from fighting off the bid by Britain's own stockmarket rules.

Mr Maude said that the Government would look at that point and see if there was anything to be done.

TUC move welcomed

The decision of the TUC to support the Government's employment training programme, to begin in June, was welcomed by the Prime Minister.

During question time, Mr James Connaught (Gillingham, C) welcomed the decision of the TUC not to sabotage the new training programme, in stark contrast to advice from Labour MPs. He asked the Prime Minister for an initiative between state, industry and commerce, to ensure that no one was unemployed for lack of suitable training or retraining opportunity.

Mrs Thatcher: Yes. We very much welcome the decision of the TUC to support this training programme. I hope that now the Labour Party will follow the TUC, as it usually does. It is of course a programme which is meant to provide training for 600,000 people.

For the younger age group, from 16 to 18 years, we have the YTS which guarantees them training shortly after they have left school, for up to two years and we are taking more steps to see that people get jobs and receive training to help them get work.

Prime Minister's questions Speech 'was pretence'

Conservative MPs protested during Prime Minister's question time, as Mr Andrew Faulds (Warley East, Lab) accused Mrs Thatcher of exhibiting "nauseating pretence about moral concern" in her address last weekend to the General Assembly of the Church of Scotland.

Mr Faulds said that the location of the speech made her offence worse, and continued: "Would she contemplate today what has fired her policies the more during last year's year of power - the careful construction of costs and profits she learnt at her father's knee, or Christian concern, which she signally failed to learn? (Some Conservative shouts of "Author!")"

Mrs Thatcher: I made perfectly clear in that address - and perhaps I may quote it - "None of this, of course, tells us exactly what kind of political and social institutions we should have."

"On this point, Christians will very often genuinely disagree, though it is a mark of Christian manners that they will do so with courtesy and mutual respect" (laughter and protests).

Mr Alastair Darling (Edinburgh Central, Lab) her policy of transferring funds from the poor to the rich and to get the rich to give it back by charity, is nonsense. Will she read St Luke chapter 18, verses 10 to 14 before she goes to bed?

[The story of the pharisee and the publican praying together in the Temple, the pharisee praising himself for his piety and the publican not even lifting his eyes to Heaven, but smiting himself on the breast, saying "God be merciful to me a sinner", the quotation ending: "for every one that exalteth himself shall be abased; and he

that humbleth himself shall be exalted."]

Mrs Thatcher: Perhaps he will realize that you have to create wealth before it can be distributed. Under this Government, far more wealth has been created and has been far more widely distributed. Figures published recently indicated that the poorer part of the population have had greater increases than has the population on average.

Mr William Michie (Sheffield, Hecby, Lab) she appears to have seen the light and

that humbleth himself shall be exalted."

Mrs Thatcher: The City of London is earning more than £7 billion in foreign exchange for the whole of Britain. It contributes enormously to our balance of payments and is greater than North Sea oil at its peak, so it does not see any good to run it down.

Yes, there is a problem in building extra houses in the South-east, whether it is in the larger South-east or in-filling in the areas where a great deal is already going on, especially in regional development corporations, which is excellent.

Mr Nicholas Budge (Wolverhampton, South West, C) said that the guillotine was an administrative extreme in mal-

adroit man-management. It was a disgraceful display of macho-vigour by junior ministers in the Home Office and the more energetic, less wise, members of the community.

Mr Jerry Wiggin (Weston-Super-Mare, C) said that the Bill would have stopped the tragedy of Hungerford. The Government had made a great mistake in responding so hastily and so unwisely to that event.

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Peers in medical charges plea

Peers on all sides of the House criticized the Government's proposed abolition of free eye tests and dental examinations.

During the second reading debate on the Health and Medicines Bill, which has already completed its passage through the Commons, Lord Cullen of Ashbourne (C) asked the Government to withdraw the clauses dealing with the charges for eye tests.

Lord Cullen, president of the Federation of Ophthalmic and Dispensing Opticians, said that he could not agree with the Government that the charges would have no long-term effect. In the short term many people would suffer from disease and even blindness that would be avoided if free tests continued to be available to all.

It could be argued that, having removed free eye and dental checks, there could be charges for visits to family doctors and hospitals. If that was in the Government's mind it should say so.

Lord Res (Lab), a family doctor, said the end of free eye tests would initially affect the early diagnosis of diabetes and glaucoma. The only health that the Bill would help was "healthy scepticism".

Lady Gardner of Parkes (C), a dentist, said over the years she had found that there were half a dozen conditions in her patients that could lead to death. There were many patients whose lives were affected by whether or not they put off consulting their dentist.

People who were already terrified of going to the dentist would be deterred altogether by the abolition of free examinations.

Lord Graham of Edmonton (Lab) said that charges were an

HOUSE OF LORDS

additional deterrent to people going to the dentist.

Lord Colwyn (C), a dentist, said that free access to advice was one of the fundamentals of the National Health Service. Abolition of free tests would prevent people from having regular checks.

Lord Humber of Newington (Ind), who was once personal physician to Field Marshal Lord Montgomery of El Alamein, said opticians should be used to examine patients and so help keep them away from hospitals, which must be concerned primarily with the treatment of the sick.

For the Opposition, Lord Pym-Davies said that, as understanding of the NHS continued, the Labour Party was worried that the Government would be tempted to use the abolition of eye and dental checks as a precedent for introducing charges for other routine medical examinations.

Lord Skelmersdale, Under Secretary of State for Health and Social Security, said that by 1990-91 the Government planned to spend 11 per cent more in real terms on primary care.

All the existing exemption groups would still be entitled to free tests so that only those who could afford it would have to pay. Therefore the Government believed the introduction of these charges would not have any important deterrent effect.

Consideration was still continuing into how to help those people whose incomes were just above the qualifying level for free examinations.

The Bill was read a second time.

All-night sitting on firearms Bill angers Government

Labour MPs angered the Government by forcing an all-night sitting of the Commons on the Firearms (Amendment) Bill.

Even though a guillotine motion ended discussion of the Bill at 12.57am on Thursday, they insisted on voting separately on more than 40 Government new clauses and amendments that would normally have been approved without division.

As a result, MPs were voting until 5.17am when the Bill was given a third reading. The House rose half an hour later.

The process would have lasted much longer, but for the rare use of a standing order allowing MPs to vote by standing in their places instead of the traditional 15 minutes walk through the division lobbies. Thursday's business would have been lost if divisions had kept

the proceedings going until 2pm.

The Bill, introduced after the Hungerford shootings last year, restricts ownership of firearms.

Ministers kept from their beds by the protests included Mr Douglas Hurd, the Home Secretary, and minister in charge of the Bill, who later, outside the chamber, denounced the tactics of those voting against the Bill as "silly antics at the expense of public safety".

Mr Hurd said: "Mr Roy Hattersley, Opposition spokesman on home affairs, urged me to press forward this legislation with all possible speed."

"In his absence a small rumour of the Labour Party has been doing its best tonight to obstruct the measure he urged."

"These silly antics at the

expense of public safety and I hope the public will notice it."

Mr Harold Walker, the Deputy Speaker, invoked the standing order to allow for the speedy method of voting by standing, when he said after the first few divisions that in his opinion a division was being "unnecessarily claimed".

Repeated points of order challenged his decision and Mr Dennis Skinner said that the method was last used during the last Labour Government when only seven MPs had opposed certain motions. "You have given the Government an opportunity to fly in the face of parliamentary democracy", he said.

The Government had earlier introduced a guillotine motion on the Bill after its planned completion had been thwarted

earlier in the week by Conservative backbench MPs who disapproved of measures to ban ownership of self-loading rifles and of the amount of compensation to be offered for the surrendered weapons it makes illegal.

Mr John Biffen (North Shropshire, C) said that the timetable [which restricted further Commons debate on the Bill to five hours, including the time spent debating the timetable] did not include a guillotine for the Lords debates.

He added: Bertie Denham [Lord Denham, the Government Chief Whip in the Lords] is more of a better than a whip and has been very successful.

But the birds which flew on Monday [when "backwoods" peers came in to support the Government in defence of its

poll-tax legislation] might have been homing pigeons. They might come back and provide more embarrassment for the Government on this legislation than they had done on the community charge.

Mr Jerry Wiggin (Weston-Super-Mare, C) said that the Bill would have stopped the tragedy of Hungerford. The Government had made a great mistake in responding so hastily and so unwisely to that event.

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Ashdown still the man most likely to

In their former existence the Liberals won a reputation in parliamentary elections as the nice party that fights nasty elections. It was surely not this that the more astute among them had in mind when they spoke of taking Liberal traditions into the new party.

Yet, even before the candidates for the leadership of the SLD are allowed to declare themselves at the beginning of next month, Mr David Steel was having to warn his parliamentary colleagues on Wednesday evening against turning the campaign into a damaging personality contest.

What has been even more remarkable has been the curious role reversal between Mr Alan Beith and Mr Paddy Ashdown, the two obvious contestants. It is Mr Ashdown, the dashing ex-Minister, who had been thought to live dangerously and to have suspect judgement. But it is Mr Beith, the sound if uninspiring candidate, whose supporters launched a personal attack on Mr Ashdown.

Mr Beith has now totally disowned these tactics, but he did seem to take his time in doing so. Mr Ashdown has



Geoffrey Smith

therefore been able to play the role of the magnanimous statesman, saddened but not angered by an episode that cannot have done his chances any harm.

Everyone is now declaring the chapter closed, but it is still likely to have a number of political consequences. Mr Beith's campaigners may have weakened his position among those who should have been his natural supporters in the new party: those more on the right,

especially former Social Democrats, who are particularly concerned that the new party should have its feet firmly on the ground.

This should not only further strengthen the position of Mr Ashdown, who was already the favourite. It may also affect whether a third candidate enters the race. Potential contestants do not have to decide until June 21.

If Mr Ashdown can keep out of serious trouble for the next three and a half weeks his victory may well look a foregone conclusion by then. In that case, there would not be much incentive for another challenger. But if Mr Ashdown stumbles, then Mr Beith may not look quite so capable of taking advantage. It might suddenly appear an open race.

It is possible that Sir Russell Johnston might stand. At his best, he is still more accomplished than any other speaker in touching the heartstrings of the party. But a more likely candidate would be Mr Malcolm Bruce.

Unless Mr Ashdown makes a serious mistake, though, the

probable outcome is that he will win and that he will be more generally accepted as leader than had seemed likely even a short time ago. This is critical in a new party.

The SLD would be crippled if it were to begin life under a leader who was unable to extend his appeal to both former Social Democrats and Liberals. But it will still be necessary to have a balance between them at the top.

The most obvious way to achieve this would be to have a Social Democrat as president. It is the most visible post, apart from the leader, and in the former MP, Mr Ian Wigglesworth, there is someone well equipped for the job.

But the former Liberal president, Mr Des Wilson, is also expected to stand. There are more ex-Liberals than Social Democrats in the new party, and Mr Wilson is not one of those politicians who has a difficulty in being recognized. So it is far from a foregone conclusion that Mr Wigglesworth will be elected.

That should strengthen the case for having a Social Democrat as chairman of the policy

committee. It would be my mind be a pretty compelling case anyway. A strong Social Democratic voice is required at the top of the SLD not only for public relations, but also to ensure that the more tough-minded Social Democratic approach to policy is brought to bear.

The best choice, I believe, would be Mr Charles Kennedy, who even at the age of 28 is so widely regarded as a future leader. He is the golden boy of the party. But golden boys need to be given a hard job of work; otherwise they remain politicians of eternal promise.

So the task would be good for Mr Kennedy - much better than making him deputy leader, where he could fritter years away as a glorified cheer leader, unable to say anything distinctive without giving the impression of challenging the real leader.

Such a choice would also be prudent for the party, which needs to find out in good time whether Mr Kennedy has a taste for the hard graft of policy development. It will be nearly as important for the SLD to harness his energies as to elect the right leader.

House of Lords 'Lottery for the arts' plan

The following report of a Lords debate on the arts appeared in later editions yesterday.

Proposing a lottery for the arts, Lord Byrket (Ind), chairman of the Theatre's Advisory Council, said that it was a sensible proposition for the future and could raise more than £100 million a year. That would match the present grant in aid by the Arts Council, he told peers.

Speaking during a short debate on the arts, he said that the lottery for the National Health Service had flourished only because its organizers had not thought that the law needed to be altered to accommodate it.

"I am well aware that to introduce a national lottery would require major legislation, simply because the prizes allowed by the present gambling legislation are not big enough."

At present, many of the arts faced alarming futures because there was nowhere they could look for capital funding.

Lady Thompson, for the Government, said that, because of lack of time, she could not walk the lottery lane with him.

The whole community, business, private givers and the consumer through the box office would make the arts flourish.

In an earlier debate on the importance of the independence of broadcasting, the Government was accused of pursuing an organized plan of action to "put the lighters on" the BBC Board of Governors.

Initiating the debate, Lord Bebbington (SLD), a former vice-chairman and former governor of the BBC, said that the Government had been at loggerheads with the corporation on many occasions since 1983, most recently over the shooting by the SAS of IRA terrorists in Gibraltar.

The new Broadcasting Standards Council, to be chaired by Sir William Rees-Mogg, was "creeping censorship". It was a fundamental contradiction of Mrs Thatcher's philosophy. The definition appeared to be, a free market in money and a captive market in morals.

Lord Ainslie (Ind), who chaired the committee on the future of broadcasting, said that the Government had been

wrong to try to ban the television programme on the Gibraltar shootings.

Lord Swain (Ind), former chairman of the BBC, said that the Broadcasting Standards Council, under the powers announced, was unlikely to do much harm, but it should not be allowed to veto programmes or to have extended powers.

It would be a national tragedy if a single step was taken in the wrong direction because freedom was hard to find and easy to lose.

If the principle of government interference or the right to censor the BBC over programme content was accepted it would be the start down the slippery slope of broadcasting by government consent.

Earl Ferrers, Minister of State, Home Office, denied that the Government was attempting to censor the media by establishing a Broadcasting Standards Council.

SPECTRUM

The Americans are coming

Much more than President Reagan is travelling to the Moscow summit. Christopher Thomas reports on a way of life in transit

The White House is a ghostly place today. The boiler is in Moscow. So are the cook, the hairdresser, the drivers, the secretaries, and the top security men. A bunch of Cabinet ministers and most of the senior staff have gone. So have 900 social planners, communications experts, aides and advisers. Several armoured White House Cadillacs have been shipped to Moscow. And so has President Reagan's favourite jazz band, Quartet Plus One.

The advance party to Moscow has taken along bottled water, chocolate bars, toilet paper, disposable shower curtains and towels to overcome the privations of the Soviet capital. Shower curtains? Female members of Reagan's entourage demanded protection from spy cameras while they took a bath. Extra towels were included because Moscow hotels are prone to supplying towels the size of face flannels.

President Reagan and his wife would have preferred to import their own double bed for the four days in Moscow, but there was embarrassing publicity when they did that during the economic summit in Venice last year. So they will have to make do with single beds at Spaso House, the official residence of the American ambassador. There was talk at one point of asking Jack Matlock, the US ambassador, and his wife to give up their king-sized bed.

The Soviet side put heavy pressure on the White House to accept an offer to stay in the Kremlin, as President Nixon did in 1974. White House advance teams refused even to inspect the Kremlin guest quarters, fearing that by turning down the invitation they would appear to be saying the accommodation was not good enough. "We thought it was better to be in a place that was at least nominally controlled by Americans," James Hootley, head of White House advance arrangements, said.

There is another advantage in staying in the ambassador's house: it avoids the sort of unseemly scenes that occurred during Nixon's visit, when Henry Kissinger, the Secretary of State, and Alexander Haig, the White House Chief of Staff, fought bitterly over whose suite should be closest to the president's.

Despite their comparative solitude in Spaso House, the Reagans will not be able to enjoy much private conversation. "The president will be advised that there is a good chance he and the First Lady will be overheard in their private rooms," Hootley said. But the president will be able to confer freely with his advisers in "secure rooms" at the US embassy, and be



This way for a place in history: with the Reagans to Russia (from left) George Shultz, Secretary of State, Colin Powell, National Security Adviser, Frank Carlucci, the Defence Secretary, Rosanne Ridgway, Assistant Secretary of State for European Affairs, and Howard Baker, White House Chief of Staff, who is holding the fort in Washington and will be joining the party later

will be free to chat with Nancy in his hi-tech Cadillac, which has been loaded with the latest anti-bugging devices. The White House says there is no car like it anywhere.

The limousine is always a priority on Reagan's trips. Only once did he use someone else's, in Japan when his own limo deposited him at the gates of the Imperial Palace and he briefly transferred to a Japanese car to take him the short distance to the door.

Another reason can be found for using the Cadillac. White House security personnel recall with horror the day that Nixon was "kidnapped" in Leonid Brezhnev's Zil limousine during the 1974 Moscow summit, when the astonished president was sped off to Brezhnev's dacha outside town while US security agents gave chase in the presidential Cadillac. Negotiations to sort out the incident and to placate an infuriated security service were "as fraught diplomatically as any

in my career", Henry Kissinger later recalled.

The Soviet side made only two changes in White House proposals for Reagan's visit: Gorbachev wanted a private dinner with the Reagans at his large dacha outside Moscow, and he wanted the two leaders to meet briefly soon after Reagan lands in Moscow on Sunday, instead of the next morning. The Americans readily agreed.

The Gorbachevs quickly accepted Reagan's plan for a reciprocal dinner, very few of which are given on trips abroad. Alfredo Saez, the president's first butler, has been dispatched to Moscow especially for the occasion next Tuesday. Whatever Reagan eats in Moscow, whether prepared at Spaso House or served by the Soviet side, at least one steward from the White House mess staff will be involved in the preparations. That is as much a matter of health as it is of security.

The Americans are shipping in food from Finland for the reciprocal dinner. The wine will be Californian. Linda Faulkner, the White House social secretary, flew to Moscow aboard an Air Force

plane some days ago to fine-tune details of the occasion, working with the embassy's Italian chef. The White House is hiring Soviet butlers — two per table — although Reagan will be attended solely by his own butler.

Invitations were prepared by White House calligraphers and sent to Moscow to be hand-delivered to the 110 to 120 guests. Typically, Nancy Reagan had a big influence on the invitation list, which is made up of US and Soviet officials, plus a mix of people from various fields, including writers, sports figures, and film-makers. Background music will be provided by US Army violinists flown from Washington. Quartet Plus One will perform. Gorbachev, aged 57, comes from a generation of college students who enjoyed American jazz. The enthusiasm clearly has not waned, as the band discovered in sell-out concerts in Moscow and Leningrad last year.

The White House decided to hire all the silverware for the occasion because it did not want to risk losing its own stock, most of which is of historical interest.

Extra china and crystal was shipped in from the State Department and the US embassy in Finland.

So far, so good. But what about Nancy and Raisa, who clearly do not get on? Their disputes have become known around Washington as "Style Wars". Pointedly, no private meetings between them have been planned. Nancy Reagan's press officer noted delicately that the women "come from different cultures", and left the clear impression that the pair will stay clear of each other as much as possible.

Consequently, Mrs Gorbachev will not accompany Mrs Reagan during a visit to an elementary school in Moscow. Nor will she join Mrs Reagan in a trip to Leningrad, where the First Lady will tour the Hermitage Museum, visit a Second World War memorial, and take a hydrofoil to the tsars' summer palace. Nancy Reagan has been studying four books: *A Short History of Russia*, *Arts of Russia*, *The Hermitage* and *The Russian Revolution*. She has

also been memorizing tourist phrases in Russian.

Nobody is saying whether she consulted her astrologer before the trip. Her staff concedes, however, that she was closely involved in planning her husband's itinerary and insisted on a four-day stopover in Helsinki so that he could rest. Mrs Reagan still recalls the embarrassment of her jet-lagged husband falling asleep at a meeting with the Pope in 1982.

The American media invasion of Moscow has already begun. Television executives are cruising Red Square with an advance army of at least 300, and all the television anchorwomen will be presenting the nightly news live from their hotel balconies, with St Basil's Cathedral as a backdrop. The ABC network alone sent 16,000lb of equipment from New York. Another six tons of gear and five tons of "provisions" and office supplies were sent by lorry from London last week.

The second wave lands on Sunday with the president. The White House staff and press headquarters is at the Mezhdunarodnaya — known as

the Mez — built for the 1980 Olympics. The Press room's several hundred telephones there provide direct links to American operators in Pittsburgh.

Others journalists are staying at the Rossiya, supposedly the world's largest hotel with 3,150 rooms, overlooking the Kremlin. To offset the limitations of Soviet food, an American entrepreneur has opened a temporary restaurant near the press briefing room where 4,000 journalists will gather daily. The menu: blackened catfish and seafood gumbo.

To guide them through the labyrinth of arms control, human rights and regional issues, American journalists have been given a telephone-directory-sized folder of background material from the White House, beginning with a pep-talk from the president. "The media have an important responsibility," he wrote. "Your reporting will set an example of the role a free Press plays." Notwithstanding, most journalists thought the most important news of the week was a decision to let foreign reporters tour the Stolichnaya vodka distillery for the first time.

'I know I can move away at any time, my neighbours cannot'

Every evening, after a gruelling 12-hour day, Glasgow's new £36,000-a-year director of architecture drives home... to a small flat, in one of Britain's most notorious council estates.

Fifty per cent of Chris Purslow's neighbours in Easterhouse are unemployed, vandalism is rife, and many of the other flats are empty and boarded up. Social and recreational facilities are minimal, and the estate is far from the city centre.

For this, Purslow has left his four-bedroom terrace house in Islington, north London, where he was the borough architect. "Glasgow

has a housing stock with a great deal of problems and I decided that, temporarily, I would like to be a part of it, to live on one of the estates and inform myself a little bit more about the difficulties local people face," he says.

"I had no idea how I would be received, but I have been received very kindly almost without exception. I think I am regarded as something of a curiosity. My neighbours keep calling in for a cup of coffee and a chat."

Easterhouse has become a byword for post-war problem estates. Its population of more than 40,000 is roughly the same as Perth's, yet it has only

Glasgow's new head of architecture has started work at the sharp end — living on a council estate. Kerry Gill reports

one bank and one supermarket. Purslow has sympathy with the advice that architects should be made to live in the houses they design and has chosen to live with the mistakes of his forebears who, after the Second World War, engaged on the design of huge housing tracts around the edge of Glasgow. (The city now has the largest amount of public housing to administer in Western Europe.)

Inside, his flat is adequate; outside, it is a different matter. "One problem is that Easterhouse, like the other peripheral estates, is visually uninspired and has the same dull character. There is a lack of identity leading to vandalism."

"The designers had laudable objectives, to bring sunlight and fresh air to people who had lived in the old, dirty and overcrowded urban areas,



Chris Purslow: 'a curiosity'

but the large tracts of open areas and the character of the streets are not the kind of urban character people are used to."

Glasgow's problem is not a

shortage of housing, but an acute shortage of housing that people want. Most families in Easterhouse are desperate to get away, which is why whole streets have become empty and boarded up over the past few years. The only new tenants, apart from Purslow, are those with no choice.

"When I came up to Glasgow I suggested to the housing department that they find me a home on a peripheral estate. The housing department chose the flat because it is typical of the neighbourhood," he says.

He pays about £35 a week for the Easterhouse flat, which had already been furnished as

part of a council scheme to provide ready-made homes for homeless families or for young people moving out of their family home for the first time. He has now put his Islington home up for sale.

As part of Glasgow's Community Renewal Programme, 42-year-old Purslow is asking his staff to involve tenants in redesigning aspects of the peripheral estates. These changes involve installing entry phone systems, creating private gardens, improving the appearance of houses internally and externally, even reducing the heights of blocks to give an impression of variety.

He is also considering the creation of local offices where tenants can see how new designs are taking shape and offer their comments. Many of Purslow's 600 staff are being encouraged to attend meetings with tenants. He went to a meeting last Sunday which was particularly well attended by the locals.

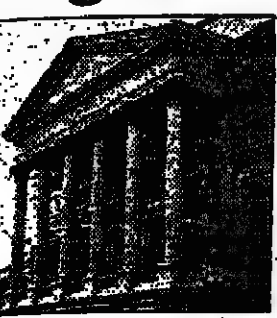
Under the renewal programme, there are 45 projects, six of them in Easterhouse alone. "So far I am enjoying Easterhouse and the company of my neighbours," he says. "They are very friendly people, but I have to remember that I can move away any time I like, they cannot."

SATURDAY

Portfolio — PLUS NEW — Accumulator At least £8,000 to be won

Arias and graces

What ails the Royal Opera House? As its new general director, Jeremy Isaacs, prepares to unveil his five-year masterplan, Brian James looks at an institution under artistic attack



Plus... Jumbo Crossword with five £50 prizes

MEDICINE

Scientists at Stanford University in California have made a discovery that could help combat diseases such as multiple sclerosis and rheumatoid arthritis, in which the body is attacked by its own disease-fighting immune system. Human leukocyte antigen (HLA) molecules on the surface of certain types of cells of the immune system are known to sometimes mistakenly give the cells instructions to attack the body instead of foreign invaders like bacteria. In an internationally-funded project, described in *Science* magazine, immunologist Dr John Todd, now at Oxford University, and colleagues have found the part of the molecule responsible for the errors. This opens up the possibility of designing a drug which fits over this part of the HLA molecule, to prevent it

FINDINGS

A weekly series on research

being activated by body tissue, and preventing the diseases from developing, Todd claims. Robert Matthews

PUBLIC OPINION

Britain, it is said, is a nation of gardeners. A new survey, carried out among nearly 2,800 people last month by MORI for the lawnmower manufacturer Flymo, shows that 78 per cent of the British have a garden, and of those who do, more than a third (38 per cent) say that weeding is the job they hate most, followed by mowing the lawn and digging (both detested by 16 per cent). Most people won't be surprised to know that the poll found that more women than men do the

weeding and the planting/sowing. But they may be impressed that while 65 per cent of the mowing and 64 per cent of the digging is done by men, nearly a third (29 per cent) of each activity is done by women. Gardens are busy places, with a quarter having a bird table, one in seven a greenhouse and one in 10 a pond. And 8 per cent of homes with gardens (that's some 2.5 million people) look out on a garden gnome. Robert Worcester

CONSERVATION

Heron is not held in very high regard by fish farmers because of vague claims that they can cause substantial

damage to commercial fish in stocking pools. But now, Dirk Draulans, a Belgian zoologist, has made a detailed study of the impact of grey herons in fish farm ponds in Belgium and The Netherlands. His research shows that their impact is minor. Over a 24-hour period a single heron takes, on average, 7.2 fish — a total weight of 288 grammes. On a five hectare fish pond, one heron normally exercises sole territorial claim except when the pond is drained — a few days each year — and several birds may gorge themselves. As a result, Draulans calculates the total fish weight lost to herons in a year as 280 kilos. Fish production was about 2,200 kilos annually. Taking account of fish that might anyway die naturally and water icing over in winter the proportion that ends up in the herons is only about 2 per cent. Malcolm Smith

CONCISE CROSSWORD NO 1575

ACROSS

- Find (6)
- Scottish prosecutor (6)
- Medicine dose (7)
- Nasal tobacco (5)
- Tire by sweetness (4)
- One storey house (8)
- Provençal sweet (6)
- Confidential warning (3)
- Glossy (8)
- Car wheel ring (4)
- Divine nourishment (5)
- Get to grips (7)
- Shampoo envelope (6)
- Stone pieces pattern (6)

DOWN

- Boy (3)
- Japanese tea ceremony 3-2-2
- Clothes (4)
- Badge of office (8)
- Surly, ill-bred type (5)
- German air force (9)
- Swagger (5)
- Robin 2nd (9)
- Wedding (8)
- Washington state capital (7)
- Sudden forward motion (5)
- Sound-producing (5)
- Lower interior wall (4)
- Common market (11,1)

SOLUTION TO NO 1574

ACROSS: 1 Outlandish 8 Outcast 9 Align 10 lamb 11 Compress 13 Limit 14 Robin 16 Valuable 18 Brain 21 Beano 22 Comest 23 Chest Bank

DOWN: 1 Opium 2 Toad 3 Astronautical 4 Diaspora 5 Snipe 6 Kohl 7 Unison 12 Studios 13 Lavabo 15 Berserk 17 Leash 19 Note 20 YMCA

TIMES DIARY

THOMAS
STUTTAFORD

It is said that an Oxford man walks down the street as if he owns it whereas the Cambridge man walks as if he doesn't care who owns it. Sir Geoffrey Howe's style is essentially Cambridge, so I was on firm ground when I challenged Sir Bryan Cartledge, our Ambassador in Moscow, after he asserted that the Foreign Secretary was an Oxford man. Sir Bryan sent a cheque for £100 the next day, but unfortunately as I was crossing Pontenille Road before returning, the wage was too easy, it was blown away in the rain.

Cartledge, although educated at St John's College Cambridge has an Oxford approach to life, possibly as a result of his time spent as a research fellow at St Antony's. After a most successful career in the Foreign Office he is leaving it early. Before his comparatively short time in Moscow he was in the Cabinet Office where he won the admiration of the Prime Minister. He is now to be the principal of Linacre College, Linacre, a graduate college, is the university's youngest foundation: started in 1962 it only received its charter last year.

Cartledge's change of career may have surprised his Foreign Office friends but has delighted Linacre, who see him as much a scholar as a diplomat, and assume his appointment will enable him to continue research and writing on Soviet foreign policy.

Sir Hugh Leggat and Sir Denis Mahon, who have battled together on behalf of the arts against the governments of the last 25 years are in action again: this time to ensure that the present government doesn't extend any concessions which may be granted to museums to sell off parts of their collections to the National Gallery, the National Portrait Gallery and the Tate. Sir Hugh considers that there is an enormous difference between a museum selling surplus and probably tatty specimens and an art gallery selling a picture, as no two pictures are identical. At the National Gallery all 2,000 pictures are on view and the cellars are empty. The Portrait Gallery is essentially an archive, and although thousands of paintings are in store they can be, and are, hung in public elsewhere. The Tate collects contemporary works of art and Leggat feels their value may not be appreciated for a generation or two.

Sir Hugh and Sir Denis - both knighted during Mrs Thatcher's premiership - have found it much easier to work with her ministers than those of previous governments. Perhaps surprisingly, they have particularly admired Paul Channon and the present minister Richard Luce, who, they have discovered, is approachable and listens to arguments.

Sir Hugh is not expecting a savage fight this time. He thinks the campaign will be far removed in style from that he had when the Labour government threatened to put a wealth tax on works of art. The threat on that occasion he felt was so grave to Britain's heritage that he gave up all other work to organize opposition to it. He won.

The trustees of the Rowntree Trust will have been saddened by Lord Young's announcement that the Nestlé bid is not to be referred to the Monopolies and Mergers Commission. Outwardly united in their wish to see the York company remain British and independent, they must have the occasional unwelcome thought when they examine the balance sheet. The two Joseph Rowntree charitable trusts are heavily invested in the firm; it is only the Rowntree Social Services trust, with no charitable status, which has less close financial links with it. The charitable trust on paper has made huge profits as a result of the bid. On their best day, prior to Lord Young's announcement, one fund increased in value by over £70 million. The history of the investments of the Rowntree Social Services trust has not always been so happy. As it does not have charitable status it is allowed to support political causes and usually chooses one with a strong left-wing bias. A few years ago its previously grateful recipients were appalled to find that some of the money they had been granted was, in part anyway, only available because of shrewd investment in South Africa. The situation has been rectified.

BARRY FANTONI



Divorce court solicitors have been absent lately from the social round, and instead the lights in Lincoln's Inn have been burning until the early hours. June 3 is their deadline. For by then any application for tax relief on a maintenance order must have been submitted, as the Inland Revenue will not guarantee that applications received after that date will have been processed by June 30, the closing date. This year's Budget has altered the financial aspects of divorce previously advantageous to either the rich or the very poor. The rich could afford to dissolve a marriage as tax allowances helped to pay for a former wife, and the children thereafter would receive their university education free. At the other extreme the poor were able to rely on social security.

While divorce lawyers have been working night and day, and have been harried mercilessly by their knowledgeable clients to take advantage of the tax concessions while they may, there's been so little publicity given to the tight timetable that in the dark and dusty corners of country town solicitors offices the crisis has passed by unnoticed.

This has been a bad week for Allan Green QC, the Director of Public Prosecutions. On Monday, two High Court judges ruled that he was acting illegally in allowing clerks in the Crown Prosecution Service with no legal qualifications to screen cases for trial.

This, the judges said, went against the whole intention of the Prosecution of Offences Act 1985, which set up the service and clearly believed that a lawyer would conduct the first review of a case after the police had laid charges.

Mr Green is going to the Court of Appeal about it. "I very much regret that the divisional court reached the conclusion that I had acted outside my powers in the introduction and implementation of the case screening system; plainly someone who is responsible for law enforcement is very anxious to keep within the law and the court's declaration gives me cause for concern," he said. But he stands by his view that the ruling - while deserving of respect and obviously binding - was "not necessarily the last word on the subject. It may be that the Court of Appeal will come to a different view."

The test case brought against the DPP by the Crown Prosecution Service's lawyers' union, the First Division Association, could not have come at a worse time. Last week, the results of a

Frances Gibb on the problems facing the Director of Public Prosecutions

Trials and tribulations

survey commissioned by the DPP from outside management consultants were published. This painted a bleak picture of how the staff sees the service: more than 80 per cent agreed that their good faith and enthusiasm has been "trampled" because of workload pressure; nearly two thirds believed "the effectiveness of prosecution has been lost due to over-emphasis on economizing on costs" and only 36 per cent "believed the service was through the worst of its problems".

Green strongly defends both the commissioning of the survey and its publication. "If you were anxious to improve communications within a government department and you were aware there were faults in the communications system, you have to begin by trying to find out what the problem areas are and identify them."

Not to publish the findings of a communications survey would have been absurd, and, with a staff of 4,000, unrealistic; they

would have been leaked. As for the results, they are now six months out of date, and some questions so phrased that the response was predictable. Things are not completely changed but he believes progress has been made in the past few months. "The general picture obviously causes us concern. But we were heartened to know that 73 per cent of staff were willing to put themselves out to help the service." The staff, he says, have loyalty and commitment.

It is a commitment that has been tested in the past 18 months while the service has been struggling to its feet. Criticism has been rife from police, courts, and lawyers; it has been fashionable to attack the service as the newest recruit to the criminal justice system and to blame it for that system's shortcomings. But much of the criticism was justified.

Green, who took on the job just over six months ago, came when the service was acutely understaffed. He - and the Government law officers - all

now admit the service was grossly underfunded at the start. But they have recently extracted a pay package from the Treasury which boosts the crown prosecutors' pay. That is likely to help tackle the shortage of lawyers (still 40 per cent short in London but improving) and retain people within the profession.

The service has had a poor image. Late papers in court, repeated adjournments, witnesses failing to attend - it has been blamed for all this, sometimes justifiably; but when the police have been at fault, the courts, press and public have not said so. It is always "the prosecution".

In the past fortnight the collapse of three "football hooligan" trials because of discrepancies in police evidence and of the trial of a man on charges arising from the News International dispute at Wapping, have all inevitably meant flak. The service, it has been said, should have spotted the discrepancies. Allan Green is not over-

worried about the "blurring" of responsibility for prosecution mistakes; "you have got to be philosophical about it". Nor will he be drawn on the collapse of the recent trials. "There is going to be a series of inquiries into the evidence and it would be wrong of me to anticipate the result of those inquiries. At the end of the day, my department may have to consider certain criminal proceedings."

But the collapse of the trials does raise the whole relationship between the service and the police. Police resistance to the service taking over its job still lingers on; and in some quarters it accounts for obstacles in bringing cases to trial.

Green says relations are improving. By and large, he says, chief constables are supportive and eager to make the CPS work. But there are pockets of disenchanted. There is a natural resistance to change, he says; and that was especially so given that the new service which replaced the old system began inauspiciously with under-funding.

and staff shortages. In general though, he says contact between the police and CPS at every level is growing.

Recruitment is still the top priority, but Green is keen to enhance career prospects of those in the service. So to help retain senior prosecutors he is drawing up proposals for an extra grade. But in the long term, he plans more controversial measures. Rights of audience - the rights of lawyers to take cases in the courts - are very much in the melting pot; solicitors want to extend their rights to the higher courts, now the monopoly of the Bar. Most of the service lawyers are solicitors; and the crown court work all goes out to the independent Bar. Green, a barrister, thinks it would be an attraction to people thinking of joining the CPS if crown prosecutors - solicitors or barristers - could do crown court work. The move would be a sharp blow to the Bar's monopoly.

Clearly Green is not a man to stay out of the storm; and despite present troubles, he does not appear to be a man under siege. He believes things are getting better and puts that over with conviction. "When I go round, I get the impression that there is a feeling abroad that we are gradually improving our performance. Obviously there will be setbacks along the way, but the general trend is positive."

T.E. Utley

Hidden dynamite in that sermon

It is a curious, but I think explicable, fact that the passage in Mrs Thatcher's Edinburgh address which on the face of it gives most pabulum to her critics is the one that they all seem to have ignored. You must wait for a while, before I tell you which the passage is. I have preferred to concentrate on what was familiar to them - her well known beliefs about the relationship between Christian morality and economic policy. She has explored this theme often before, notably when lecturing at St Lawrence Leury.

Its contents can be briefly summarized. Christianity undoubtedly has something to do with politics in that it is the business of Christian politicians to look for the best ways of embodying in their policies the ethical concepts of Christianity. They will differ in their conclusions, and all that is required from them in respect of these differences is that they should express them with mutual charity and courtesy. They must all of them accept the principle of individual responsibility, for even when that responsibility is exercised by collective action it remains an *individual* responsibility; voters who believe in high expenditure on social services, for instance, must be prepared to vote for high taxes or high inflation, which, incidentally, very often they are not.

So much for the general rules. Mrs Thatcher then usually goes on to explain what particular interpretation she puts on her own Christian duties as a politician. She believes that the poor must be cared for, but she also believes that in order to care for them wealth must be created. She believes that it will not be created adequately unless our economic system gives reasonable scope for the pursuit of self-interest and, above all, for the exercise of those benign instincts, such as devotion to the family and the wish to engage in private effort to alleviate the lot of the miserable. She does not

believe that the whole of welfare can be entrusted to the operation of those instincts, and she therefore thinks that the state must always be at hand to intervene when private effort would clearly be inadequate. If proof is needed of the genuineness of this last belief it is surely supplied by the vast sums of money which her administration spends on welfare and the extreme caution with which it approaches all proposals for really radical reform of the welfare state.

Well, "proof", is probably a strong word, because, like all other political actions, this defence to the concept of public welfare can of course be attributed to political expediency. However, if one gets involved in the speculation about the motives of politicians one does not always get very far; what matters is that Mrs Thatcher's actions in relation to this aspect of policy are wholly in accordance with her declared philosophy.

Now, I would wager that the vast majority of people in Britain today would accept most of these abstract propositions about the relationship of economic policy to human benevolence. Many of them have grave reservations about their actual applications, but that is another matter. Many of them also are deeply embarrassed by politicians who moralize and quote the Bible; but this is mostly because they think that such politicians (and in our history they have been chiefly on the left) are hypocrites. It is really very hard for a fair minded person who listens to Mrs Thatcher to suppose that she comes in that category. You might think her naive, pompous and bossy, but you have to be very sophisticated indeed (ie, so sophisticated as not to believe at all in the possibilities of sincerity in a politician) to think that she is fraudulent.

It would be a bad thing if the practice of making moralizing



The critics, of course, have found a so far relatively successful method of rebutting Mrs Thatcher's moralizing. It is quite simply and blatantly to misrepresent what she says - to accuse her of preaching "a creed of greed", to ignore her admissions about private philanthropy while asserting that she recommends the abolition of public welfare, to imply that she

believes that no Christian can be anything but a believer in capitalism and to suggest that her statements are addressed always to the poor and never to the rich.

These misrepresentations still have a fair amount of success and may continue to do so for a while. After all, prime ministerial statements are not read very closely by most people. Anyway, in the absence of any effective reply to her argument, common abuse and misrepresentation are probably the best line to take.

But you have waited long enough for my promised revelation about the buried dynamite in her speech.

Turning from the economy to the nation, Mrs Thatcher said: "The Christian religion - which, of course, embodies many of the great spiritual and moral truths of Judaism - is a fundamental part of our national heritage". She went on to point out that you could not understand the British tradition without also understanding the parts which the Old and New Testaments had played in its creation. Without such knowledge you could not make sense of Shakespeare or of the constitutional conflicts of the 17th century. She reminded us in fact that we are a nation whose historical culture is largely biblical.

"Pleasant clichés" you may say, but what of their implications for those numerous British citizens from alien cultures practising alien religions?

The Prime Minister did not hesitate to address herself to the question. It was our well established tradition to admit into the country the heirs of other religions and cultures; they must always be assured of full equality under the law and be shown open and generous friendship. But "there is absolutely nothing incompatible between this and our desire to maintain the essence of our own identity".

She was of course absolutely right in that claim; but it was a claim that implies that, culturally, not legally speaking, practising Muslims from Pakistan who is (say) a second generation immigrant is not wholly British in quite the same sense as a native Englishman.

Well, of course that is so; the British know it and the immigrants and their descendants know it. Immigrants into Britain have made a precious contribution to our culture in the past, but always by accepting that it was up to them to show a manly respect for and interest in the traditions of their fellow citizens, that it was more important for them to learn about those traditions than it was for the British to learn about the traditions of their guests, though that also is eminently desirable.

However, Mrs Thatcher's criticism, with their gift for stick representation could easily have converted these innocent words into a demand for the institution of second class citizenship. One can positively hear them at it: "Now that the Prime Minister has made it clear that those of our fellow citizens who were not brought up in the Judeo-Christian tradition are not really part of the nation, what action does she propose to take to translate this principle into policy? What is it to be? - compulsory or so called voluntary repatriation or compulsory instruction in the Christian faith as interpreted by Mrs Thatcher? Why have the critics resisted the temptation to indulge in this blatant nonsense? Because they know that a very large majority of the electorate is far more interested in maintaining our "own identity" than in the preservation of capitalism as such. This Tory element in her speech was far less vulnerable to attack than were the classical liberal elements. There is a lesson for all of us in this, and particularly for the Prime Minister and such of her colleagues as profess purely counting house ethics."

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Commentary • ROBERT KILROY-SILK

Family matters

In the last few days the Prime Minister has reaffirmed the Government's commitment to the family and emphasized the importance of children as being a "special trust". She should now match those fine words with deeds. She can do this immediately by removing the threat to child benefit and by restoring its monetary value.

At the last election Mrs Thatcher promised that child benefit would be protected and that it would continue to be paid direct to the mother. She has reiterated the pledge since in the Commons. That would seem to have settled the matter. But it hasn't. She means what she says all right, but it doesn't look as if she means what we think she means. She's playing with words again.

There's evidence enough for this somewhat cynical view of her intentions. The first is the fact that child benefit is currently being "reviewed". Nothing necessarily wrong with that, of course. Yet the reassessment is being conducted behind locked and closely guarded doors and no one knows whether the re-evaluation is being conducted sympathetically with a view to raising and improving the benefit or with the intention of abolishing it altogether.

It looks suspiciously like the latter. Several possibilities have already been canvassed. These include the suggestion that it should be taxed, that it should be means tested and removed from the better off, and that it should be scrapped as a separate benefit and paid instead through the new family credit system. The Government's intention seems to be clear. It wants to see

child benefit disappear. How else can one interpret the fact that the weekly payment of £7.25 per child - paid to seven million mothers for 12 million children at an annual cost of £4.7 billion has been frozen since April? Not having the guts to announce its formal abolition the Government's strategy seems to be to allow it to "wither on the vine" like the maternity grant. It can then be scrapped as being worthless.

All of these options are undesirable and foolish. It would, after all, be rather silly to tax a benefit that was introduced to replace tax allowance. It would be a false economy to introduce means testing when we know that the take up rate on such benefits is just about 60 per cent of those eligible and that a sizeable proportion of the non-takers are far more needy. It would be counter-productive to create, in the process, yet another poverty trap.

And child benefit does have important advantages. Yes, it's true, it goes to all families, the rich as well as the poor. But there is not necessarily anything wrong with that. In any case, since the abolition of the child tax allowance in 1986, child benefit, as Norman Fowler pointed out when he was Secretary of State for Social Services, "is the only recognition in the tax and social security system of the extra cost of having children and bringing them up." It's odd, to say the least, for the Prime Minister to keep banging the table about the value of the family and the importance of "special trust" of children while at the same time she's undermining the only monetary recog-

nition of the importance of both. And in any case, it's not the only subsidy that's provided irrespective of income. So is mortgage interest tax relief. If it is all right to subsidize the rich to buy expensive houses then it certainly cannot be wrong in principle to provide an equally indiscriminate benefit, most of which, we know, goes to millions of families in need. The fact that a small number of the better off benefit is the price that we should be prepared to pay for the advantage of child benefit.

And there are many. One of them is that the payment goes directly to the family and is of major importance to families in poverty. There are lots of them. Some 30 per cent of our children, our "special trust", are on or below the poverty line. It is important too, that the payment is made direct to the mother; this not only recognizes her status, but also guarantees her some independence and an element of control over at least a part of the family income.

The Prime Minister must know all this. She also knows that fine words are easy and come cheap but that it's deeds that count. For her now to give a reassurance of the importance of child benefit and to ensure its continuing power would be the clearest possible demonstration that she means what she says. It does not seem right in an atmosphere of "indemnification" to attack the poor. It certainly does not seem to be fulfilling our duty to our "special trust" for the Chancellor to dispense unparalleled generosity to the rich while threatening one of the most important means of family support for the poor.

SCIENCE REPORT

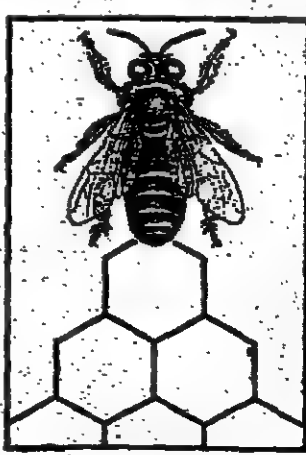
Keeping mum

The division of labour among worker bees is determined by their genes and not environmental factors, according to two articles in this week's *Nature*. Hitherto, it has often been supposed that the differences between worker bees are decided by the diet on which larvae are fed and the early experience of adults.

Following an earlier lead showing that honey-collecting is genetically controlled, Gene Robinson and Robert Page Jr, of Ohio State University, have shown that worker bees inherit their jobs from their fathers. They concentrated on two jobs that worker bees perform - repelling intruders and removing the corpses of dead bees.

In the second study, Peter Frumhoff and Jayne Baker of the University of California at Davis, uncovered a strong genetic influence in the way worker honey-bees groom each other. By introducing a genetic marker giving the caste a distinctive colour, they showed that particular grooming behaviour is linked with a particular colour. Not only are jobs inherited, but each caste has its own artificial lifestyle.

The complex social systems of bees, ants and other social insects have baffled evolutionary biologists for over a century. Darwin himself considered the dramatic differences between various castes of sterile worker bees to be one of the greatest challenges to ideas of natural selection. Worker bees are all sterile



females, daughters of the queen bee by a number of male drones. So all the worker bees in a hive are related as if they were half-sisters, although offspring of the queen with a particular drone are genetically still closer.

These close genetic relationships are now taken to account for the altruism of worker bees - they forgo sex and do housework for the greater good of the hive, but have forgone the capacity to reproduce. Their close relationship with the queen and their own genes will nevertheless be well represented in the offspring from the hive.

The new studies, by showing that labour specialization between worker bees also has a sound genetic basis, partly support this idea. But by

showing that there is much genetic diversity between the workers in a hive, probably because queens mate with several males, they also raise the question why the genetic self-interest of the worker bees does not impel them to break out of the sterility, with which they are encumbered.

Another question unresolved is whether queens select males as mates so as to ensure an adequate supply of labour of different kinds and, if so, how that selection is done.

The means by which a worker's genetic constitution decides that she will perform only her allotted task also remain to be discovered. Robinson and Page believe that bees will respond to particular situations in a programmed way: a bee from a family of undertakers will throw out corpses when it comes across them, but a bee with a herding of sentry duty will ignore them, for example.

The common insect hormone called juvenile hormone is known to play a part in deciding how different castes of worker bees behave, but there are many other genetically-controlled hormones which might also influence their behaviour.

On the question why altruism should persist in the face of genetic diversity, it is suggested that worker-bees are either inescapably sterile, or that their sterility is consciously enforced by the queen, by means of hormones.

HENRY GEE

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LEGAL LOTTERIES

A measure of sympathy is in order for those who organized the first attempt at a lottery to benefit the health service. Even in taking the course at too great a gallop and falling at the first fence, they have delivered a powerful demonstration that legislation governing lotteries is uncertain in its scope and arbitrary in its effects.

Inconvenience and embarrassment to the lottery promoters and the eminent trustees of the National Hospitals Trust may be turned to good account if the result is an untangling of law and policy on lotteries, and if it permits a closer examination of the mechanics of a lottery specifically to benefit health care.

The general legal position is certainly unsatisfactory. It is by no means clear why the law should continue to set a low ceiling on lottery prizes when the holder of a premium bond may aspire to a legal reward of £250,000, and an entrant to the football pools of up to £1.3m.

Existing legislation effectively limits lotteries to a local scale with small prizes. The moral justification for this rests chiefly on the rampant wrong-doings of lottery operators in times gone by. State regulation, which began in the 18th century to curb the excesses of fraudsters, had by the middle of the 19th century done little to improve matters. Instead large-scale lotteries in Britain were legislated out of existence — and have taken a long time to return.

The latest attempt to bring them back has revealed a confusing combination of imprecise legislation and multi-faceted official intervention, from local authorities equipped with powers to register lotteries, from the Home Office administering the 1976 Lotteries and Amusements Act, the Gaming Board and the Government's lawyers. A new modern framework is now needed.

This Government has a big incentive to do so. The potential rewards are very great — after four years more than £1 billion for health care a year according to estimates presented to ministers by supporters of a national lottery scheme.

Even if this proves optimistic, the evidence from current schemes as far apart as Israel and Korea, Queensland and Pennsylvania is that modern technology has made lotteries both fraud-proof and major generators of charitable funds. Health care is an obvious candidate in the climate of the current NHS review and its need to bring more money, from more sources into a more pluralistic system of achieving national health.

The Government should examine how it

should best relax the cash ceiling on lottery prizes. It should determine the abuses against which public policy should guard and it should equip the Gaming Board or another body with regulatory powers sufficient to police the system.

The most modern lottery system requires heavy capital investment in electronic terminals, behind newsagents' counters and by supermarket cash-registers, in marketing the games and in the computers to process them. It will also inevitably arouse heavy opposition both from those who oppose any extension of gaming and competitors who would see their interests threatened. There will thus be pressure that a single operator should have a national monopoly under direct state supervision. That would be a mistake.

There is no reason why there should not be the freest possible entry into the field. This should be coupled, as necessary, to firm and predictable arm's length regulation. It would be most undesirable if the outcome of this week's legal complexities was to be the establishment, in one form or another, of a state monopoly lottery with the inhibition of innovation and competition which would be inseparable from such a structure.

The briefest consideration should warn ministers against attempting to rescue the lottery concept by nationalizing it. It would become, immediately, politicized and the subject of constant parliamentary attention. Instead of customer choice, backbench activity would shape its structure and approach.

The threat of a single monopoly lottery would strengthen the opposing arguments from other charitable fund-raising bodies. With the best will in the world, the Treasury could not but take into account the anticipated stream of health lottery income, and make compensating adjustments to public spending plans for health.

The power to allocate lottery profits should be given to a board of respected trustees, as the proposal, which was brought down this week, sensibly envisaged. Those trustees should be given the widest possible freedom to contribute cash to health care.

Some of the money will need to go to highly visible projects in order to stimulate those who take part in the lottery for chiefly charitable aims. But much of it need not. If the results are as good as the lottery's backers claim, funds could be provided for other charitable purposes, as long as the principle was maintained that the Government took the minimum part in the process.

WATCHING OVER TRIDENT

Yesterday's report from the Commons Defence Committee contains confirmation of problems over the Trident missile programme. The difficulties are far from being insurmountable and the disclosures should not come as a great surprise. But, politically, delays of any kind are dangerous. The committee's expression of concern is well justified.

An important reason why Trident was chosen to replace Polaris as the country's strategic deterrent was that the technological challenge looked answerable. It promised to take Britain down a path already trodden. The missile would once more be bought from the United States, leaving Britain with the task of building the submarines and designing the nuclear warhead for the system.

So far the programme has gone reasonably well — as the committee itself acknowledges. Despite prophecies of ever-rising prices, its overall cost has actually gone down. This is due more to the strength of sterling than any amazing feat of cost control, but the ministry has had cause for satisfaction.

None the less, the continuous improvements in sonar and the more complex multiple warhead on the Trident, always threatened to stretch Britain's limited nuclear scientific community. There was, at the very least, a great difference of scale between the two deterrent systems.

The delays over the sonar and the construction of the new plant at Aldermaston and Burghfield, should not yet put back the completion of the first Trident submarine HMS Vanguard — which is due to enter service

around 1994. But the difficulties at the Atomic Weapons Research Establishment could set back the other three boats unless future warhead production can be accelerated.

The risks involved in any significant delays should be seen in terms of politics more than security. Although a question mark hangs over the ability of Polaris to penetrate Soviet defences in the 1990s, it still poses a risk which no aggressor could take lightly. The chance that any enemy might see the next few years as a window of opportunity to strike Britain must be small.

At home, on the other hand, delay could reopen the window for Trident opponents. With no election due until two or three years before Trident enters service, the present Government should be able to usher through the programme to near-completion. But substantial delays now could wreck that hope. If Britain is to retain an independent deterrent into the 21st century, the sooner the system is completed, the safer and the better.

For similar reasons, Whitehall should be careful of its dealings with legitimate inquirers. Scepticism over the wisdom of procuring Trident is not confined to left-wing politicians. There remain a number of senior officers and Civil Servants who would prefer to spend the money elsewhere. Their objections have been only partially stillled by the slightly lower cost of the programme. It is important for the programme that it continues to run smoothly — and that the ministry does not make matters worse by adopting unsuitable camouflage of its errors.

STAYING ON

General Noriega, the Panamanian strong man, is an unlikely folk hero. He has rigged elections, disposed of political opponents in unsavoury ways and achieved notoriety for his involvement in drugs and arms dealing. Yet, in one vital respect, he is earning the admiration of his own people and, no doubt, of those in other Central American countries. He has succeeded in resisting all attempts by the Americans to remove him.

It is now nearly a year since Washington decided that Noriega, a long-term ally, had become instead an embarrassment who should go. Demonstrations in Panama City last summer suggested to Washington — falsely, as it turned out — that there was enough popular feeling against Noriega to make his removal a relatively easy task.

The internal situation in Panama is always likely to preoccupy Washington to a greater extent than that of other small Latin American countries, because of the strategic importance of the canal. In fact, nothing about the way Noriega conducts matters in Panama, however reprehensible in other ways, suggests that he has ever had any intention of disturbing the operations of the canal, or those of the US troops who are there to defend it.

There have now been three attempts to dislodge him. The first, initiated with American support by the Panamanian President Del Balle, failed primarily because the Panamanian officer corps remained loyal to the general.

Economic sanctions by the United States were equally unsuccessful, partly because Noriega has succeeded in keeping the economy running on a day-to-day basis — and partly

because the expected street riots failed to take place.

Finally, negotiations between Noriega and Washington over his departure have this week come to nothing. Noriega appears unwilling to swap his role as Panama's leader, for the privilege of having drug charges against him dropped by Washington.

The United States has now said that "other options" will be considered, though, short of military force — which appears to have been ruled out — there is no quick solution on offer. Until the Moscow summit is out of the way, General Noriega can expect a breathing space from Washington's attentions.

What has been the result of the Noriega affair? For the American administration, it has been a severe embarrassment, particularly as revelations have emerged about Noriega's close links with the CIA during his years as a favoured client of America. The scandal may continue to undermine the presidential campaign of Mr George Bush who, dissociating himself from the current White House negotiations with Noriega, will find it harder to disown his part in past dealings with the general.

From a Central American perspective, the affair has damaged Washington's prestige. It has shown once again that, in the absence of gunboat diplomacy, the United States is not as powerful an arbiter in the internal affairs of Latin America as is commonly supposed. General Noriega has demonstrated that it is possible for a leader of the smallest of republics to flout the wishes of mighty Washington and survive — for the time being anyway.

LETTERS TO THE EDITOR

Alternative uses for rural acres

From Mr Simon Pott

Sir, G. F. Woodbridge (May 17), tackles one part of the answer before addressing the problem of land surplus to arable need. The essential element of the paper published recently by the Royal Institution of Chartered Surveyors (report, May 19) is to provide a framework for the planning authorities which will give them greater freedom of action in the countryside before this surplus becomes a major problem. Should voluntary "set-aside" be unsuccessful it is a short step to compulsory "set-aside" and the possibility that large areas in the UK will have little or no productive use while farmers are paid under the scheme to produce nothing.

The RICS paper provides for, and positively promotes, protection and enhancement of the countryside, but points out that this will not happen by itself. Local planning authorities would need carefully to consider areas which should be identified for the very limited form of development envisaged.

An area of, say, 100 acres would be "dedicated" (in the forestry sense of that word) out of arable production in return for the detailed planning permission of the whole area; this could include a principal house, cottages, stables, barn, woodland and lakes, or indeed any acceptable use for such

an area. There is a remarkable shortage of good modern country houses with this area of land.

The value of the 100 acres to be purchased might have a small premium above agricultural value, but this would bear no relation to development values now paid for land for residential development. If agricultural land has a rule-of-thumb value of £1,500 per acre, and land with detailed planning permission for residential development a value of £500,000 per acre, I see little wrong with paying, say, £2,000 an acre for 100 acres, taking it out of arable production and creating a place of positive beauty in the countryside.

I do not suggest the creation of the huge houses of the past but of entirely manageable country houses, so that the later part of the 20th century may leave an architectural legacy in the countryside. Wildlife habitat and employment opportunities are very important side benefits; there could also be a public access clause linked to this type of development.

Yours faithfully,
SIMON POTT, (Senior Vice-Chairman, Land Agency and Agriculture Division, RICS),
Rutland,
18 Angel Hill,
Bury St Edmunds, Suffolk.
May 19.

London's housing

From Mr Arnold Rosen

Sir, The explosion in London house prices over the last decade has turned middle-class people working in and around the city into an army of commuters, choking our transport system and making it difficult to recruit those with modest earnings into the capital. Yet I am unaware of anyone, of any political persuasion, who believes that residential land should be protected by law against commercial speculation, particularly by anonymous corporations, offshore interests and non-residents of the EEC.

Speculation can only serve to drive the price of homes out of the reach of the middle classes who are not housed by local authorities. London is now divided effectively into two classes of resident — those who live in council homes and those who are wealthy. As an antidote, in the next Finance Act, Parliament should consider by whom and on what terms land, particularly residential land, can be purchased by interest with only a tenuous connection with the property. Historically the British have set their face against any restraint in the alienation of land: the effect of commercial exploitation of resi-

dential land in the capital and its environs demands a new approach.

Yours etc.
ARNOLD ROSEN,
199 Piccadilly, W1.
May 20.

From Mr Max Neufeld

Sir, In assessing the demand for more houses in the South-east and the need for additional land on which to build, has thought been given to the potential capacity, for housing, of the many traditionally residential buildings in London which are currently being used for offices?

A glaring, but by no means unique, example is London University which houses its administrative functions in dozens of Georgian and early Victorian residential buildings in Bloomsbury. Surely it would be sensible to relocate such administrative functions in an office block — of which there are many — and return these houses to residential occupation, thereby reducing the pressure on the countryside and strengthening existing communities in the centre.

Yours faithfully,
MAX NEUFELD,
(Co-Secretary, Charlotte Street Association),
1 Colville Place, W1.
May 23.

Dorchester design

From Mrs Peggie Mason

Sir, In describing the Dorchester Hotel as an Edwardian building (May 18) your reporter is perhaps confusing it with its predecessor on the same site, the legendary Dorchester House, the London home of the Hollands of Westonbirt.

Although that building was designed by Lewis Vulliamy for Robert Stayer Holland in the 1850s, it contained through the Edwardian era as a focus for fashionable society, and when it was pulled down after the death in 1926 of his son, Sir George Holland, friend and quarry of King Edward VII, it was only after much opposition from the "heritage" lobby.

The architectural style of the Dorchester Hotel (1930), by Curtis Green, was, in fact, according to Pevsner's *Buildings of England*, "hailed as something very modern."

Yours sincerely,
PEGGIE MASON,
Woodman's Cottage,
Park Road,
Banstead, Surrey.

Prelate defended

From Miss L. A. Zaina

Sir, Neither your report nor your leader on the subject of Archbishop Marcel Lefebvre (May 24) could be described as fair or accurate reporting. You characterize as "maverick" a prelate with a long and distinguished career as Apostolic Delegate, Archbishop of Dakar (a position renounced in favour of a native African), Superior General of the Holy Ghost Fathers and one of the *patriarchs* at the Second Vatican Council, who has maintained a clear and undeviating position of fidelity to the teachings of the Church.

He has never questioned the doctrine of papal infallibility as defined by the First Vatican Council nor any other article of faith. The very fact that the negotiations with Rome have continued over so long a period bears witness to his recognition of papal authority.

Your leader describes him as leading a revolt of "French traditional Catholics", whereas in fact all over the world, in Europe, North and South America, Australia, New Zealand, Africa, India, there are priests, churches, seminaries and religious communities which are part of the ministry of the Fraternity of St Pius X, founded to train priests for the service of the Church. As for the appointing of bishops, it is untrue that this pertains only to the Pope; only the Pope can *nominate* those to be consecrated (usually from names submitted to him).

After a side glance at the judgement seat of God you go on to Sir Mgr Lefebvre with the brush

of antisemitism and extreme right-wing politics associated with some of his supporters. You make no attempt to clarify the points at issue — faith, authority and both the right and duty in certain circumstances to resist the imposition of what is manifestly unjust, contrary to the faith, or harmful to the Church. A lone voice raised in the name of conscience, even if mistaken, should receive more sympathetic treatment, rather than your paeon of praise in honour of absolute authority.

Yours faithfully,
ALEXANDRA ZAINA,
University of Liverpool,
School of Modern Languages,
PO Box 147,
Liverpool, Merseyside.
May 24.

Race against time

From Lady Angela Oswald

Sir, I write to correct an error in News Roundup (May 12).

The only man ever to run round Trinity Great Court while the clock struck was my father, the late 5th Marquess of Exeter, when he was Lord Burghley.

Your mistake perfectly illustrates the danger of the modern trend of "fiction".

It was unfortunate that the film *Chariots of Fire* should have portrayed my father's unique achievement and credited it to his friend and fellow athlete, Harold Abrahams.

Yours faithfully,
ANGELA OSWALD,
Fitcham Hall,
Kings Lynn, Norfolk.

Church's views on clergy divorce

From Mr Frank Field, MP for

Birkenhead (Labour)
Sir, You report (May 19) General Synod sources expressing anger at the Ecclesiastical Committee's decision to reject the proposal that remarried divorcees should be allowed to proceed to the priesthood. Your leader (May 20) commented on the mutual suspicion between Church and State which now exists.

The proposed measure raised both immediate questions about General Synod's attitude to reform, as well as the much wider issue of how the Church relates to the secular world.

Most Church of England vicars have a security of tenure which can only be overruled in the most exceptional circumstances. This principle of freehold was conceded in an age when divorce was unknown. More recently, the general divorce trend within the population as a whole has begun to be reflected amongst the clergy.

The Church therefore finds itself in the difficult position of, on the one hand, maintaining the indissolubility of marriage, while on the other hand, witnessing the break-up of clergy marriages, and the subsequent remarriage of some priests. Only in extraordinary circumstances, where grave scandal has been caused, have ecclesiastical authorities removed an incumbent from his post.

Those representatives of General Synod who met the Ecclesiastical Committee argued that, as priests possessing freehold had "won" themselves the right to be remarried after divorce, and not to lose their position, it was unfair not to allow others, in a similar married state, entry to the priesthood.

The clash of two principles, the indissolubility of marriage, and the right of a person's freehold, does lead to anomalies. Such is the price that some of us would argue that we pay for imposing general

laws on a variety of human conditions, and these anomalies are preferable to the further erosion of a basic principle.

This incident also raises the way that the Church of England relates to the secular world. Its 1965 report *Putting Asunder* was based on the assumption that, as the Church of England was the national church, it was crucial for it to make rules which would accommodate the population at large. The report led to the Government of the day beginning the liberalisation of the divorce laws.

The end result of *Putting Asunder* was that, in the attempt to accommodate the wider population within the Church of England's jurisdiction, the principle of the indissolubility of marriage was breached for church activists. There are few more startling examples of the sacred laying down rules for the secular, with the result of the new secular rules invading the sacred.

It is because the most recent measure sent to Parliament raises both immediate and longer-term considerations, that some members of the Ecclesiastical Committee voted as they did last week. Yours sincerely,
FRANK FIELD,
House of Commons.
May 23.

ON THIS DAY

MAY 27 1891

Russia's attitude toward the Jews from the mid-18th century to the revolution alternated between liberal acceptance and brutal oppression. During the reign of Alexander III, 1881-94, the five million Jews were consigned as the source of the country's troubles. The benevolence of Baron Hirsch (1831-98) included £10,000 in 1882 for the repatriation of Jewish refugees.

THE PERSECUTION OF THE JEWS

PARIS, May 26.

The representative of Russia's Agency has had an interview with Baron Hirsch upon the whole subject of the treatment of the Jews in Russia and his plans for the amelioration of the lot of his co-religionists.

"Though it may seem strange to you," said Baron Hirsch, "the measures now being enforced against the Jews, which are equivalent to the wholesale expulsion of the race, do not appear to me to be altogether a misfortune for the Russian Jews. I think that the worst thing that could happen to those unfortunate people would be to continue for an indefinite period the wretched existence which they have led up to the present time, crowded together in narrow streets, merely vegetating without hope and without a future, reduced to a condition incompatible with the dignity of human beings. The only means of raising their condition is to remove them from the soil to which they are rooted, and to transport them to other countries where they will enjoy the same rights as the people among whom they live and where they will come to be patriots, and become citizens."

What is going on in Russia today may be the prelude to this beneficial transformation, and this is why, while I am filled with horror at the atrocities that are being committed, I hope to find a possibility of deriving from them some advantage for the unfortunate victims of oppression, and of facilitating their repatriation, which is their only means of salvation. It is true that the Jews have lived and laboured for ages under the Russian Empire, and that they have consequently acquired an incontestable right to the soil on which they live. But all this is a matter of pure theory which prevails nothing against fact or against the undeniable will of a Government like that of Russia, which is persuaded that Jews ought not to be tolerated within the limits of the Empire, and that their presence is literally a desecration of the country...

"In the presence of this principle of exclusiveness transformed into a dogma, I am of opinion that all endeavours to moderate the resolution of the Government must inevitably fail, and, I repeat, I consider the necessity in which the Jews in Russia are placed of leaving a country where they are subject to such treatment as not an unmixed misfortune. But the treatment to which the Jews are now being subjected is such as to excite the indignation and reprobation of the entire civilized world..."

"Hundreds of families, expelled from their homes and deprived of any kind of shelter, have been compelled to wander for days and nights in the cemeteries, suffering from hunger and exposed to all the inclemency of the climate. Women have brought forth children in the open fields and have died from exposure. These barbarous doings may move pity but called a terrible misfortune for the Jews than the principle of expulsion which the Russian Government has decided to enforce against them. Their expulsion is unjust; still I accept it as an accomplished fact; but the needlessly cruel manner in which it has been carried out is a dishonour to the age in which we live..."

Moulders of form

From Mr Victor Brilles

Sir, Pace Mr Cleveland (May 21), 51 years is nothing. Occasionally I wear either a black or a brown pair of shoes which I had made in Berlin in the early thirties and hear them being praised for their stylish form.

On very cold days I wear the black ones with an overcoat which I had made in 1928.

Yours faithfully,
VICTOR BRILLES,
19 Pinebeach Court,
Beach Road,
Poole, Dorset.

From Mrs David Matthews

Sir, My daughter and I each have a pair of my father's World War II Royal Naval tropical shorts which we still wear. My husband still wears his grandfather's 1908 morning suit and there appears to be no reason why our son should not inherit it. Thirty years is indeed nothing.

Yours faithfully,
D. R. MATTHEWS,
Clydenhowe,
Windermere, Cumbria.
May 23.

FRIDAY PAGE

Verses from the Gulag

As the Moscow summit approaches, Catherine Bennett asks a Soviet poet how she looks back on the labour camp

There was food on alternate days. Mice ran over the prisoners' faces. The temperature hovered around 10°C — and the prisoners were issued with thin cotton smocks to ensure that no comfort could be derived from their clothing. As she sat on the floor of the punishment isolation cell in a Soviet labour camp, Irina Ratushinskaya drafted poems on soap, washing the lines away once she had memorized them: *I will live and survive and be asked:*

*How they slammed my head against a trestle,
How I had to freeze at night,
How my hair started to turn grey...*

"Look at these," says Ratushinskaya, rummaging in a borrowed London flat for some strips of paper about two inches wide, covered with neat, minute handwriting. They are some of the poems written and smuggled out of the Small Zone, the camp's special unit for women prisoners of conscience, where she served four years of a seven-year sentence for hard labour, her punishment for writing poetry.

She would be there now, with five years' internal exile still to come, if the poems had not been published in the West, soliciting support that embarrassed the Soviet government into releasing her just before the Reykjavik Summit of 1986. "I cannot speak about it now, because the KGB doesn't know the secret," Ratushinskaya says in fluent, heavily-accented English. "When the last political prisoner is released, I will tell everything."

But Amnesty International is still working on behalf of about 300 prisoners of conscience in the Soviet Union, and Ratushinskaya has for the moment contented herself with a volume of poems, *Pencil Letter*, most of it written in the Small Zone, and an account of her captivity there called *Grey is the Colour of Hope*. It was partly intended to answer incessant questions about her imprisonment, "but first of all I want to let my Russian readers know about my experiences — that if a woman can stand this, anybody can — it's not to be afraid of, and that is enough to be free people."

Written in spirited, easy prose, *Grey is the Colour of Hope* records



"We are still the same person": Irina Ratushinskaya spent four years in a labour camp; now she is looking at property in London

the courage of women who met humiliation and deprivation with dignity. "We smiled when they marched us off to punishment cells."

Ratushinskaya is a Christian: the religious beliefs of the other women varied from Pentecostal to atheist, but they shared such profound moral convictions that if someone ill (and most did become ill) was punished in the isolation cell, the rest would immediately embark on a hunger strike, no matter how weak they remained from the last.

Now a well-nourished, lively woman, Ratushinskaya still answers personal questions with ardent references to others who are still denied human rights in the Soviet Union, and smiles when asked about *glasnost*. "It's too early to say about real democracy — human rights in the Soviet Union have always been limited, and now they are limited a little bit less," she says. "But that's nonsense anyway to talk about limited human rights, it's like limited breath."

In the 18 months since they were allowed to leave the Soviet Union, she and her husband, Igor Ratushinskaya, who accepts with indifference that in the West her work is unlikely to cross even the barriers between university departments, "I never thought I am writing for some audience, I wrote

principally for her poems, which honour the human spirit and the strength of faith and love in the face of oppression, she insists they were never political. "I just expressed what I was interested in — my topic is human dignity. If we are created by God like Himself, it's a great responsibility."

The poems made her famous throughout intellectual Samizdat,

'It's nonsense to talk about limited human rights, it's like limited breath'

the underground literature movement, but also appealed to her fellow prisoners, non-political convicts who demand poems for copying and recitations. "The less freedom in the country, the more important poetry is, because it is so easy to get through borders," says Ratushinskaya, who accepts with indifference that in the West her work is unlikely to cross even the barriers between university departments. "I never thought I am writing for some audience, I wrote

poems because I just needed it personally — when I was very young I didn't know how to pray, and it was the only way to express myself."

She was five when she began composing poems in her head, and around nine years old when she began to investigate God, curious to know who was responsible for the interminable school lectures on atheism. At home in Odessa she searched classic Russian literature for the name of God — "and they told me that God was somebody who wants us to love one another and help one another."

At university she read physics — "I didn't want censorship laws to teach me how to write, I believed that physical laws are the same for everybody" — and discovered that Igor, another physicist, whom she had known since childhood, had also discovered God. "He learned the second law of thermodynamics, which is taught very briefly in Russia because it is a very philosophical law... and after he had studied it for a long time he just figured out that God exists."

Her next book will describe how her poems began to spread through Samizdat, how she and Igor were "forced" into human rights, after the exile of Sakharov. "We realized we couldn't let them do it and wrote our first letter of protest with two

signatures, Igor's and mine." As they became more vociferous, Igor lost his job as an engineer, Irina lost hers as a teacher. They took odd jobs as decorators, and were picking apples on a communal farm when the KGB came to arrest her.

Last week Irina was looking around London estate agents: the sales of her books and her lectures in America have made them enough to buy their own house. "But we are still the same person," she says.

Her health, severely damaged by the punishment cells and concussion sustained during forced feeding, has more or less recovered. "Although I have changed half my teeth, I still have headaches — I shall have them all my life."

In prison, the warders taunted the women that they would be too damaged ever to have children. "It's hard for me to talk about," she says. "I still dream about having a baby, but nobody knows yet." If there is any bitterness about this, she does not show it. "I don't have to have them, not because they don't deserve it but because it would spoil my soul. In this struggle we were not the losers, we were stronger, and only losers can hate."

Pencil Letter (Bloodaxe, £4.95 and £10.95) and *Grey is the Colour of Hope* (Bloodaxe & Stoughton, £10.95), both published on June 2

Very model of a mayor

Westminster's new Lord Mayor, Elizabeth Flach (right), a former mannequin, finds her political hat a good fit



Elizabeth Flach is accustomed to sporting spectacular hats, but the plumed tricorn of Lord Mayor of Westminster is the supreme feather in her cap. Most lady Lord Mayors have been, not to put too fine a point on it, grandmotherly types. But the flame-haired former milliners' model for "Freddie" (Fox) and "Philip" (Somerville), and mannequin for Hartnell and Hardy Amies, cuts a dashing figure in the rich purple robes and lace jabot of her new office.

She says her role requires her also "to wear a hat of absolute even-handedness" — the Conservatives control Westminster council with a majority of four. The Labour opposition leader, Paul Dimoldenberg, drew roars of laughter from the council when he demanded whether Flach had planning permission for one of her more elaborate hats.

But under her frivolous-looking exterior is a serious mind. Flach will keep her vote, and use it decisively from the influential vantage point of her new position.

These are sensitive times for Westminster council — what with the Fraud Squad investigating the sale of city graveyards for 5p each (they may have to be bought back for more than 25 million), and the fuss over the installation of a £10,000 video camera in the council chamber to pick out hecklers. Until 1986, Flach's predecessors declined to use their vote — but the majority was more secure then. Flach argues that mayors up and down the country are becoming more political: "It is not a Westminster phenomenon."

Flach professes to be looking forward to living over the shop — although the grace and favour flat at the top of City Hall cannot possibly provide the comforts of her Georgian townhouse, even if it does have

magnificent views. "I should be at my desk very early in the morning, so it's much more efficient to actually live on the premises," she explains. "And City Hall is wonderful at weekends — it's very peaceful. With a few knick-knacks and plants I'll be happy as a little bee." Her husband of 11 years, the barrister Robert Flach who encouraged her to start a local government career, will be moving with her, and also sacrificing any prospect of a summer holiday.

"We usually go mountain walking in the summer in Austria, with an old knapsack and climbing boots," Flach says. "But it's a great honour to be Lord Mayor, and I think you owe it to the city."

As soon as possible she intends to introduce Saturday afternoon tea parties for the "underprivileged, elderly, disabled and blind". She enjoys playing Lady Bountiful, and is known for bringing flasks of coffee and packets of biscuits along to sustain both sides at planning committee meetings. She admits: "I suppose I'm really rather a mother hen."

Flach came to London from Birmingham to make her face her fortune, and has continued to work in the couture salons until this spring. Now, at 50, she feels it is time to bow out gracefully — except for occasional charity shows. "My father didn't want me to work at all," she says. It was her husband who pushed her to realize her potential. "That's what makes it, for me, such a good marriage — because he's my best friend, and we have so much to talk about the whole time."

"In my day," she twinkles, "there wasn't much a woman could do unless she was academically brilliant. Today the world is a woman's oyster — we're terribly lucky, aren't you think?"

Victoria McKee

© Times Newspapers Ltd 1988

Barbara Amiel is on holiday

The first family of divorce

The office of the man they dub "the Duke of Divorce" has a cinematic quality — 30 floors up above New York's Madison Avenue, overlooking the pinnacles of St Patrick's Cathedral.

Raoul Lionel Felder, tall, elegant and bearded, draws a slip of paper from his pocket. "You're next," the message reads. It is an anonymous death threat phoned in the day before.

"I get them all the time," says the millionaire lawyer, who has certainly given scores of men and women cause to hate — and admire — him during a singleminded 30-year-long career that has made his law firm reputedly the top international divorce specialist in the world.

Yesterday he celebrated a 25-year relationship with one of his most successful partners, his wife, Myrna. The Felders are said to be among the first divorce lawyers to earn \$1 million. The reason is simple: they rarely lose.

His current cases include the Peter O'Toole custody issue; he is representing the mother of five-year-old Lorcan O'Toole, the former American model Karen Somerville. Lorcan, made a ward of court on May 5, will be back in the United States for the next round of the battle in New Jersey on June 14.

"Should threats worry me?" Felder asks nonchalantly. "I'm a careful person." And he is joking when he says that his fees have gone up from \$400 to \$450 an hour, and his retainer has leapt from \$10,000 to \$15,000 in the past 12 months, because "my life is a little shorter".

Flamboyant is an understatement for a man whose sense of drama, and the absurd, is immediately apparent from his office, even before its occupant makes his entrance. A dozen pairs of monogrammed designer slippers are lined up under the window. Sketches by the likes of Picasso and Henry Moore gape the walls. There is a cabinet of fine china and antique pistols, bronzes by Epstein and Rodin. There is also a collection of First World War hand grenades, a huge porcelain lion

Mr and Mrs Felder are making a fortune sorting out the legal complications of other couples' collapsing marriages



Ahead of the field: the Felders seldom lose a court case

with bared teeth, a CIA mug and an embroidered "Divorce" cushion which also bears the legend: "The Way Things Are, Not The Way Things Should Be."

It hardly seems the most delicate backdrop for matters touching on the sensitive emotions of breaking marriages.

Myrna Felder describes her husband, without hesitation, as sexist and admits that in work and marriage they have differences. "The way we've broken up the work of the practice is conducive to my not being upset by his views because I take care of the appeals part of the firm."

"I have a wonderful compartment so that I'm not faced daily with the reality that I'm living with a Victorian man. He's a wonderful person but his view of the world is the 19th century not the 20th. He would be perfectly at home in Victorian England. I would put him around the time of Sherlock Holmes."

"The man is a superb attorney and no matter who he is representing — male, female, liberated, unliberated — his best instincts as a lawyer come out. His global views of the stupidity of women does

not come into the equation. It is interesting that, although over the years I've heard him say terrible things about women lawyers, he has hired more women lawyers in this office than practically any other firm in New York."

Sixty per cent of Felder's clients are women and he has a talent for attentiveness that is attractive. Among others, he has represented Claude Picasso, the late artist's son, the actor Richard Harris, Mrs Alan Jay Lerner and Mrs David Merrick.

But Felder, if an admitted headline grabber, knows precisely when and how to use his theatrical flair for the maximum possible effect.

Opposing lawyers say he goes for the jugular. There was one notorious instance when he sought to prove a husband's unreasonable sexual demands on his wife with huge blown-up photographs taken by his client, the lawyer of the upstanding husband not surprisingly caved in at the prospect of this unsavoury publicity in court.

While he has been in a key position to benefit from the

prevailing notion that built-in obsolescence is a perennial marital hazard, he is none too happy with the law of equitable distribution of assets. He feels that, since it was introduced in New York seven years ago, it has brought a significant and unhealthy shift in emphasis from what went wrong to who's got what.

"Everyone becomes a divorcee. I'm constantly surprised at the men I meet who prepare themselves comprehensively for divorce, selling everything away in the Cayman Islands."

Despite the assistance of his own nine divorce lawyers, he is forced to consult armies of accountants and tax specialists to dig out funds deliberately concealed in the event of divorce.

He also feels that, far from being fairer to the average wife who, in many cases, plays a vital supporting role for years, the law may legislate against her by assuming that she can now go out and successfully support herself.

"A paternalistic protective system is better for many, many women," he says. "When I started, women got support, maintenance or alimony until death or remarriage. Now they get it for stated periods of time and they're expected to go back to work, which in many cases is unrealistic. These women may never have worked before, but they've supported their husbands and children, have experienced a certain lifestyle and are entitled to continue with a comparable one."

His wife says that people often ask her: "What is the secret of your long marriage?" "And if I were to list the secret, or not too secret elements, I would certainly put a sense of humour very high."

Felder believes "we all have a quantum of hate and anger, particularly in divorce. In the good old days it was all emitted; he did this and she did that. Now it is channelled into money and custody."

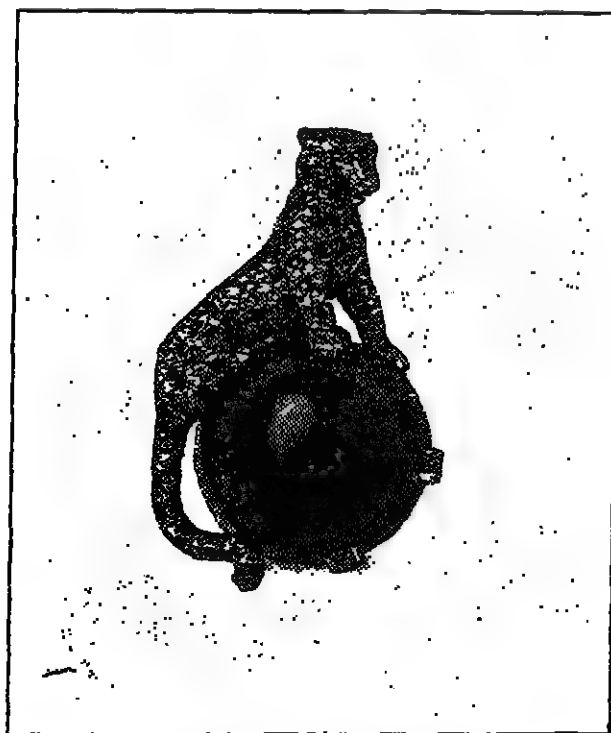
The inspirational negotiator with a flare for drama and a knack for locating the Achilles heel declares with feeling: "The fun and romance has gone out of divorce."

Rachel Warren

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Cartier EXHIBITION

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INFORMATION SERVICE

This selective guide to entertainment and events throughout Britain appears from Monday to Friday, followed in the Saturday section by a preview of the week ahead. Items for inclusion should be sent to The Times Information Service, PO Box 7, 1 Virginia Street, London E1 9XN

BOOKING KEY
★ Seats available
★ Returns only
(D) Access for disabled

FILMS

Also on national release
★ Advance booking possible

APPOINTMENT WITH DEATH (PG)
Over-familiar Agatha Christie thriller in which Peter Ustinov's Hercule Poirot solves a murder in Raine (102 min).
Cannon Haymarket (01-352 5096), Progs 1.40, 4.15, 6.30, 8.15.
Cannon Haymarket (01-352 5097), Progs 1.30, 3.45, 6.10, 8.35, 11.15.
Cannon Haymarket (01-352 5098), Progs 1.10, 3.30, 5.50, 8.25.

BROADCAST NEWS (15)
William Hurt, Albert Brooks, Holly Hunter as the trio caught in a jumble of professional and romantic problems (132 min).
Cannon Haymarket (01-352 5096), Progs 1.55, 4.40, 7.45, 11.15.
Odéon Kensington (01-802 6644), Progs 5.00, 8.10, 11.10.

THE LAST EMPEROR (15)
The extraordinary story of P'u Yi, China's last imperial ruler. With John Lone, Peter O'Toole (182 min).
Cannon Haymarket (01-352 5096), Progs 1.20, 4.35, 7.55, 11.15.
Screen on Baker Street (01-352 5097), Progs 2.00, 7.30.
Odéon Kensington (01-802 6644), Progs 2.00, 7.30.
Odéon Kensington (01-802 6644), Progs 2.00, 7.30.

MOONSTRUCK (PG)
Should Cher play it safe and marry Danny Aiello, or follow her heart and marry her brother, Nicholas Cage? (102 min).
Cannon Haymarket (01-352 5096), Progs 1.35, 3.50, 6.05, 8.20.
Cannon Haymarket (01-352 5097), Progs 1.10, 3.30, 5.50, 8.25, 11.15.
Cannon Haymarket (01-352 5098), Progs 2.10, 8.10, 9.10.

PLANES, TRAINS AND AUTOMOBILES (15)
An advertising executive (Steve Martin) and a showgirl (Candice Bergen) embark on a nightmarish journey from New York to Chicago (100 min).
Cannon Haymarket (01-352 5096), Progs 1.55, 4.10, 6.30, 8.15, 11.15.
Cannon Haymarket (01-352 5097), Progs 2.00, 4.30, 7.00, 9.15.
Empire Leicester Square (01-200 0800), Progs 12.45, 2.45, 5.00, 7.30, 9.45, 11.45.

PRINCE OF DARKNESS (16)
The Devil's at large, raising evil and causing carnage on the luckiest cast (101 min).
Cannon Haymarket (01-352 5096), Progs 1.45, 4.05, 6.15, 8.30, 11.15.
Cannon Haymarket (01-352 5097), Progs 1.55, 3.55, 6.10, 8.25, 11.15.
Cannon Haymarket (01-352 5098), Progs 1.30, 3.50, 6.05, 8.20, 11.15.

SHERA (18)
Ellen Barkin as the carefree artist in a daze in Spain. With Gabriel Byrne, Jodie Foster (97 min).
Cannon Haymarket (01-352 5096), Progs 2.20, 4.40, 6.55, 8.55.

THREE MEN AND A CRAYON (PG)
Tom Selleck, Ted Danson and Steve Guttenberg play confirmed bachelors.

WORD-WATCHING

Answers from page 24

- ARXAS**
(c) A god worshipped by the Goats in the 13th century; hence a cabalistic word carved on gems, which were used as charms or amulets.
- DESMOND**
(a) A lower second-class university or polytechnic degree, coined by naughty students of Newcastle University, referring to Archbishop Desmond.
- CRUSKIN**
(b) The last part of the tale of a beaver pig from the Old Norse gríðr a pig + -isk.
- POT LOT**
(a) US car salesmen's jargon for a junk yard full of old, cheap, specialist-offer, deeply wonderful bargains, also iron lot.

suddenly thrust into the problems of babyface (103 min).
Cannon Haymarket (01-352 5096), Progs 2.00, 6.05, 8.40.
Cannon Haymarket (01-352 5097), Progs 1.30, 3.50, 6.05, 8.25.
Cannon Haymarket (01-352 5098), Progs 1.15, 3.35, 6.00, 8.20.
Cannon Haymarket (01-352 5099), Progs 1.55, 4.00, 6.15, 8.30.
Cannon Haymarket (01-352 5099), Progs 1.50, 4.05, 6.25, 8.40.

THE UNBEARABLE LIGHTNESS OF BEING (18)
A story of love and political consciousness set against the Russian invasion of Czechoslovakia (172 min).
Cannon Haymarket (01-352 5096), Progs 2.40, 7.10, 10.45.
Cannon Haymarket (01-352 5097), Progs 1.25, 5.00, 8.25.
Cannon Haymarket (01-352 5098), Progs 1.00, 4.30, 8.00, 11.30.
Cannon Haymarket (01-352 5099), Progs 1.45, 5.10, 8.20, 11.45.

WALL STREET (15)
Michael Douglas won an Oscar as the amoral wheeler-dealer, Charlie Sheen co-stars as his naive protégé (126 min).
Cannon Haymarket (01-352 5096), Progs 2.05, 5.40, 8.25.
Cannon Haymarket (01-352 5097), Progs 1.45, 5.10, 8.20, 11.45.

THE WHALES OF AUGUST (15)
Lillian Gish and Bette Davis as two aged sisters facing life's changes. Lindsay Anderson directs (91 min).
Cannon Haymarket (01-352 5096), Progs 2.00, 4.10, 6.20, 8.40.

THEATRE LONDON

CAT ON A HOT TIN ROOF
Lindsay Duncan and Ian Charleson in Tennessee Williams' drama of sexual frustration and inhibition in the Deep South. With Eric Porter as Big Daddy. National Theatre (Lyttelton), South Bank SE1 (01-328 2252). Tube: Waterloo. Tonight 7.45pm, £5.50-£13.

THE DEEP BLUE SEA
Penelope Keith as Raynham's doomed wife in love with an RAF pilot. Theatre Royal, Haymarket SW1 (01-330 8833). Tube: Piccadilly Circus. Mon-Sat 7.30-10pm, mats Wed 5.30pm, £4-£12.

THE FOREIGNER
Patsy Kensit, Nicholas Lyndhurst as a timid tourist in the US struck dumb with nerves. Albany Theatre, St Martin's Lane WC2 (01-330 8878). Tube: Leicester Square. Mon-Sat 8.10-10.30pm, mats Thurs and Sat 5.30pm, £5-£13.50.

A PLACE WITH THE PIGS
Jim Broadbent as the Red Army deserter who lived in a pigsty for 41 years. Athol Fugard comedy based on a true story. National Theatre (Cottesloe), South Bank SE1 (01-328 2252). Tube: Waterloo. Tonight 7.30pm, £7.50.

UNCLE VAMPIRE
Michael Gambon in the role, with Jonathan Pryce and other splendid people in Michael Jackson's production. Vaudeville Theatre, Strand, WC2 (01-836 9888). Tube: Charing Cross. Mon-Fri 7.45pm, Sat 8.30pm, Mat Sat 5pm, from June 1, Mat on Wed, 2.30pm, £7.50-£15.

THE WINTER'S TALE
See caption. Open Air Theatre, Inner Circle, Regent's Park, London NW1 (01-335 5756). Tonight 7.45pm, £4.50-£11.

LONG RUNNERS
Brendon Byrne as a man who has been in the theatre since 1945. Theatre Royal, Haymarket SW1 (01-330 8833). Tube: Piccadilly Circus. Mon-Sat 7.30-10pm, mats Wed 5.30pm, £4-£12.

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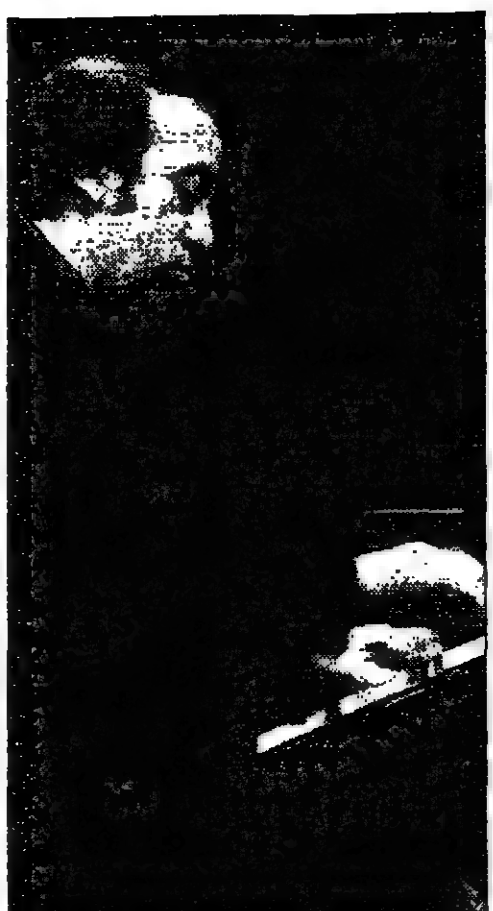
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Bath time: Pianist Martial Solal, Cleo Laine and Paul Tortelier, some of the performers at the 37th Bath International Festival until June 12

The musical voice of America

The 39th Bath International Festival begins today with the culture of the USA as its main theme. Sensibly, the American music is not all segregated into concerts by itself but appears with an impressive variety of other music. There are two all-American concerts, on June 6 when Special Music perform Elliott Carter, Ives and Copland, and on June 9 when the outstanding young American pianist Alan Feinberg plays Sessions, Babbitt and Adams. But more typical is the Endellion Quartet tomorrow playing Haydn, Beethoven and Samuel Barber, or the Orpheus Chamber Orchestra playing Mozart and Stravinsky on either side of Copland on Sunday. There will be a visit by the Atlanta Symphony

Orchestra and Chorus on June 3 with Stravinsky's Symphony of Psalms and Beethoven's Choral Symphony. The significant jazz presence might seem to continue the American theme yet much of it is European. Indeed a major event of the festival is today's rare appearance of the great French jazz pianist Martial Solal. Cleo Laine and John Dankworth also will be heard from, and among the numerous classical artists are Paul Tortelier, Salvatore Accardo and Richard Hickox. There is also a contemporary art fair and literary events including Edward Fox reading Eliot's *Four Quartets*. Bath Festival Office, Linley House, 1 Pierpoint Place, Bath (0225 63362/64411), until June 12.

THEATRE (01-434 0901)
★ **THE MONTAGNA** St Martin's Theatre (01-330 8833).
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FROM MOSCOW
Weber's Overture and Shostakovich's Symphony No 5 are heard from the Moscow Philharmonic and Derek Han solos in Beethoven's Piano Concerto No 5 "Emperor". Pavel Kogan conducts. Sadler's Wells Theatre, London EC2 (01-330 8833). 7.45-9.55pm, £3.50-£12.50.

OPERA
★ **FIDELIO** Revival of Joseph Herz's powerful production for English National Opera, now with Kathryn Harries as Leonore and Graeme Matheson-Barne as Florestan. Kees Doolittle conducts. Coliseum, St Martin's Lane, London WC2 (01-330 8833). 7.30-10.15pm, £2-£21.50.

ANDY SHEPHERD
His debut album LP confirmed his position as the most accomplished of the current crop of saxophonists. The Civic Centre, High Street, Totnes (0803 863073) 8pm, £3.50.

OUT OF TOWN

SOUTHAMPTON
★ **THE PRINCE** The Prince of Wales Theatre, Southampton (0703 671771). Mon-Thurs 7.30pm, Fri and Sat 8pm, £3.90-£6.50.

CONCERTS

★ **MARCHING WITH MOZART** Rudolf Bershaw begins this concert with the Philharmonic Orchestra, unusually, with Mozart's *Marion K 335*, following with the Piano Concerto K 271 (Emmanuel Ax), ending with Shostakovich's Symphony No 4. Royal Festival Hall, South Bank, London SE1 (01-330 8833). 01-330 8800. 7.30-9.45pm, £2-£16.

DANCE

★ **RED MOON** Jorma Uotinen's dance drama given by the Helsinki Dance Theatre for the Brighton Festival. Gardner City, Palmer, Brighton (0273 674357) 7.45-9.45pm, £2-£5.

JAZZ

★ **MARTIAL SOLAL** The ambitious jazz segment of the Bath Festival opens with a rare recital by the French pianist-composer, one of the most technically precise players of his generation. The Guildhall, High Street, Bath (0225 63362/64411) 8pm, £4.

TOP FILMS AND VIDEOS

- LONDON:**
1 (1) *Will Street*
2 (2) *A Prayer for the Dying*
3 (3) *Three Men and a Crayon*
4 (4) *The Last Emperor*
5 (5) *The Unbearable Lightness of Being*
6 (6) *Princess of Darkness*
7 (7) *Moonsong*
8 (8) *Moonsong*
9 (9) *Moonsong*
10 (10) *Broadcast News*

- UNITED STATES:**
1 (1) *Will Street*
2 (2) *A Prayer for the Dying*
3 (3) *Three Men and a Crayon*
4 (4) *The Last Emperor*
5 (5) *The Unbearable Lightness of Being*
6 (6) *Princess of Darkness*
7 (7) *Moonsong*
8 (8) *Moonsong*
9 (9) *Moonsong*
10 (10) *Broadcast News*

VIDEO RENTALS

- 1 *Beverly Hills Cop II*
2 *Excessive*
3 *No Mercy*
4 *Nightmare on Elm Street III*
5 *Dry Cleaning*

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GALLERIES

BATH CONTEMPORARY ART FAIR
A festival featuring over 35 galleries busily promoting their best artists. The Guildhall, High Street, Bath (0225 63362/64411) 8pm, £4.

GALLERIES

JOHN MCLEAN New abstract paintings. Graham-Graham, 17-18 Great Sutton Street, London, EC1 (01-250 1802). Tues-Fri 11-6pm, Sat-Sun 2-6pm, free, until June 30.

GALLERIES

THE SOCIETY OF WOMEN ARTISTS
127th annual exhibition featuring over 700 works by the society's 131 members. Westminster Gallery, Westminster Central Hall, Storey's Gate, London, SW1 (01-385 1875). Mon-Sat 10-7pm, free, until June 4.

GALLERIES

JOHN MCLEAN New abstract paintings. Graham-Graham, 17-18 Great Sutton Street, London, EC1 (01-250 1802). Tues-Fri 11-6pm, Sat-Sun 2-6pm, free, until June 30.

GALLERIES

STEVE BERRY The Loose Tubes bassist leads a robust modern trio with saxophonist Mark Lockheart and drummer Pete Fairclough. Cambridge Modern Jazz Club, Flambards, Rose Crescent, Cambridge (0223 62550) 9pm, free.

GALLERIES

JOHN MCLEAN New abstract paintings. Graham-Graham, 17-18 Great Sutton Street, London, EC1 (01-250 1802). Tues-Fri 11-6pm, Sat-Sun 2-6pm, free, until June 30.

MAKE YOUR PLANS FOR JUNE

In *The Times* on Monday: a calendar for the month of June, including events from Royal Ascot to Aida at Ears Court, from James Brown on tour to the Trooping of the Colour, from the Wimbledon tennis championships to the RSC's *Titus Andronicus*.

ENTERTAINMENTS

CONCERTS

ROYAL FESTIVAL HALL (01-330 8833).
7.30pm. Royal Festival Hall, London WC2. Tickets £2-£15.

LES LAISONS DANGEREUSES
Winner of a "BEST PLAY" award. Theatre Royal, Haymarket SW1 (01-330 8833). Tube: Piccadilly Circus. Mon-Sat 7.30-10pm, mats Wed 5.30pm, £4-£12.

DRIVING MISS DAISY
By Alfred Ury. Theatre Royal, Haymarket SW1 (01-330 8833). Tube: Piccadilly Circus. Mon-Sat 7.30-10pm, mats Wed 5.30pm, £4-£12.

STARLIGHT EXPRESS
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MARKETS	THE POUND
FT 30 Share 1430.4 (-0.3)	US dollar 1.8838 (-0.0015)
FT-SE 100 1785.3 (-2.6)	W German mark 3.1783 (+0.0012)
USM (Datastream) 154.88 (+0.12)	Trade-weighted 78.3 (same)

Executive Editor
David Brewerton

DTI starts two more inquiries

The Department of Trade and Industry has launched two more investigations into insider dealings over the past few days, bringing the total number of cases under investigation to 16.

Inspectors have been appointed by the DTI in all these cases. At the same time there has been a decrease in the number of cases under investigation — from 11 to 9. These are cases where the DTI is considering appointing inspectors to investigate insider dealing but has not yet reached a firm decision either way.

The only investigations which the DTI has identified are those into dealings in Unigroup, Grand Central Investments, Shield Group and Peachey Property.

Castings rise

Castings, the Midlands iron-founder, raised its pretax profits from £1.87 million to £2.74 million in the year to end-March, on a turnover up from £14.6 million to £17.6 million. Earnings per share rose from 12.67p to 17.33p. The final dividend is 3.6p, making 5p, against 3.75p last time.

STOCK MARKETS

New York Dow Jones	1982.86 (+1.28)
Tokyo Nikkei Average	27488.24 (-15.41)
Hong Kong Hang Seng	2520.49 (-7.51)
Amsterdam Amsterdams Gen	242.7 (+0.5)
Sydney Sydney AO	1513.6 (+23.1)
Frankfurt Commerzbank	1945.5 (+4.4)
Brussels General	4844.2 (+7.3)
Paris CAC	3180.0 (same)
Zurich SIX	456.3 (-0.2)
London FT-A All-Share	923.87 (-0.90)
FT-100	1010.28 (-1.08)
FT-100 Index	216.0 (+0.3)
FT-100 Index	30.07 (-0.21)
Recent issues Closing prices	Page 33

MAIN PRICE CHANGES

RISE	440p (+1.50)
Alfred Lyons	408p (+1.00)
Redland	358p (+1.00)
Harrison Croft	907.50 (+2.50)
Partnership	216.0 (+0.3)
Asda Property	152.5p (+1.25)
Assoc Br Ports	882.5p (+1.25)
Spayhawk	381p (+1.75)
A Wood	182p (+2.50)
As N2 Bank	138p (+2.50)
Castings	154p (+1.75)
Invergordon Dist	238p (+1.40)
Anglo Sec	447.5p (+1.25)

FALLS

Alumac	210p (-4.00)
Young A	410p (-1.00)
A Cohen	800p (-1.00)
Chapman	287.5p (-1.00)
Assoc Newspapers	477.5p (-1.00)
Whosoe	102.5p (-1.00)
T Robinson	387p (-1.00)
Closing prices	2380

INTEREST RATES

London Bank Base	7.75%
3-month interbank	7.75-7.8%
3-month eligible bills	7.75-7.8%
buying rate	US Prime Rate 9%
Federal Funds 7.75%	
3-month Treasury Bills	6.42-6.40%
30-year bonds	9.12-9.0%

CURRENCIES

London	New York
£ \$1.8830	£ \$1.8822
£ DM3.1783	£ DM3.1780
£ Sfr12.6432	£ Sfr12.6420
£ Yen211.78	£ Yen211.75
£ Yen211.78	£ Yen211.75
£ Index: 78.3	£ Index: 78.3
ECU 20.655143	SDR 20.736664

GOLD

London Fixing	AM \$453.00 PM \$453.25
close \$453.50-454.00	(2434.50-244.00)
New York	Comex \$452.60-453.10

NORTH SEA OIL

Brent (July)	pm \$16.55bd (\$16.56)
Diesels latest trading price	

THE TIMES

STOCK WATCH

0898 141 141

● Stockwatch gives instant access to more than 10,000 share, unit trust and bond prices. The information you require is on the following telephone numbers:

● Stock market comment: General market 0898 121220; Company news 0898 121221; Active shares 0898 121225; USM 0898 121250

● Quick check of share prices: Leaders A-K 0898 121240; Leaders L-Z 0898 121241; Popular shares 0898 121277

● Recent issues 0898 121255; foreign exchange 0898 121230. Overseas markets: world markets 0898 121211; Wall Street report 0898 121712

Market ready for higher Nestlé offer

By Cliff Feltman

Rowntree was staging a desperate battle for its independence last night after Jacobs Suchard, the Swiss chocolate group, launched a £2.3 billion takeover bid.

This tops the £2.1 billion offer from its Swiss rival, Nestlé, which is expected to bounce back with a knockout bid within days, according to market sources.

Rowntree, whose brands such as Kit Kat and Polo have attracted the two bids, immediately rejected the 950p-a-share offer from Suchard as inadequate, even though it is 60p above a bid already on the table from Nestlé.

Last night Mr Kenneth Dixon, the Rowntree chairman, said the company did not want to be controlled by either of the Swiss firms. "There is nothing to choose between them. Neither of them has any idea what our business is worth."

But in the stock market Rowntree shares soared to £10.25, a 26p rise on the day, as dealers watched the auction unfold.

Last night a Nestlé spokesman said: "We are reviewing our options." Suchard's bid came 24 hours after Lord Young of Gifford, the Secretary of State for Trade and Industry, decided not to refer Nestlé's bid to the Monopolies and Mergers Commission, allowing shareholders to decide the outcome.

Suchard currently owns 29.9 per cent of Rowntree and Nestlé holds just over 16 per cent. Leading City institutions

are now left to decide the fate of the confectionery group.

Rowntree yesterday brushed aside the Suchard bid to turn its attack on Nestlé by publishing its formal defence document, forecasting a 20 per cent increase in pretax profits this year to £135 million. Shareholders are promised a dividend of 18.5p, a rise of 19 per cent.

The document argues that having captured 24 per cent of the British chocolate market, Rowntree is now out to "make our leading national brands into global brands."

It discloses that it has spent £900 million on advertising and promoting its brands over the past 10 years, and in the current year has earmarked another £139 million — more than the profits it expects to earn.

Rowntree says it builds up brands while Nestlé has to buy them. "There is no other company available which would offer Nestlé the same opportunities as Rowntree," it says.

But despite its case for staying independent, Rowntree's own offer document discloses that its broker Cazenove has been a steady seller of shares on behalf of its own discretionary clients over the past few weeks.

Mr Bill Myers, a food analyst at Henderson Crosthwaite, the broker, said: "Rowntree is pointing to some very good long-term news. It makes good profit margins on its brands and there is a lot more growth to come. But I am afraid it is really unlikely

to help them. At the end of the day Nestlé is probably going to make the sort of offer which its shareholders will not be able to refuse."

Rowntree's attractions were also highlighted by Herr Klaus Jacobs, Suchard's chairman, who said he had always considered the company as a "potential partner in the confectionery business."

The two groups would become one of the most important chocolate and sugar confectionery businesses in the world, said Herr Jacobs, who promised to keep York as the business and marketing centre for Rowntree if his bid succeeds.

Herr Jacobs rejected suggestions that Suchard, which has made more than £100 million profit on its shares bought at an average price of 760p, had bid to force Nestlé into paying more.

"We want Rowntree because we think we are the best partner. We have paid a price we think is acceptable. It would be difficult for Nestlé to win at a reasonable price."

"If it becomes a prestige thing for Nestlé to get them, they have the deeper pockets. But we haven't got into this just to stop them. If we had known it was so strategically important for Nestlé to have Rowntree we would have gone a different route and would have made a bid right away."

He said Suchard had the resources to finance its bid. "We will be stretched very far but it is acceptable. Some people have said we are leaning too far out of the window but I am a conservative finance man and I am quite satisfied."

EEC on the sidelines in chocolate struggle

By Colin Narkrough

Rowntree's failure to make a formal complaint to the EEC Competition Commissioner, over the bids by Nestlé and Suchard, has mystified the commissioner, Mr Peter Sutherland.

After discussions between Mr Kenneth Dixon, the Rowntree chairman, and the Commission on the competition issues involved, no request has come from York for Mr Sutherland to intervene, despite his well-known readiness to play an active role in EEC merger policy.

Commission sources could not say yesterday whether this meant that Rowntree had assumed it had no case under existing EEC rules.

But it was made clear that Mr Sutherland sees little scope for stepping into the "bar

wars" raging over the British chocolate maker on competition grounds.

Mr Michael Grylls, chairman of the Conservative Party's trade and industry committee, said on Wednesday that there was still "hope" that Mr Sutherland would intervene in the Rowntree battle.



Dixon discusses

If Mr Sutherland's proposals for an EEC-wide merger control policy had already been accepted, the Swiss bids would automatically be subject to vetting by the Commission on the basis of the size of the merged companies.

Existing EEC law only allows the Competition Commissioner to intervene where free competition is distorted by agreement between two or more companies, or by abuse of a dominant market position.

CPS study 'surprises' Lonrho

By Our City Staff

Lonrho, the international trading group, yesterday expressed "surprise" at the news that two of its subsidiaries are being investigated by the Crown Prosecution Service (CPS).

The two Lichtenstein subsidiaries — Biora and Cantago — were involved in a scheme to stockpile amethyst from a Zambian mine.

Mr Paul Spicer of Lonrho said both had been liquidated by Lonrho in 1975 and even before then had hardly traded.

A Lonrho statement said neither Mr Roland "Tiny"

Rowland, the chairman, nor any other past or present director of Lonrho, had ever been a director of the Lichtenstein subsidiaries.

Mr Spicer was unable to say why the two companies had been set up. Last year, Lonrho settled a court action which it had brought in the US against a person whom it alleged was behind the stockpile scheme.

The CPS interest in the two subsidiaries was revealed in the House of Commons on Tuesday, in response to a question asked by Mr Tim

Smith, the Conservative MP for Beaconsfield.

Lonrho claimed that Mr Smith had in the past asked a number of questions in Parliament concerned with Lonrho, which, it said, were "apparently inspired" by the Al Fayed brothers, owners of the House of Fraser department store group which is being investigated by the Department of Trade and Industry.

Lonrho's shares closed 1½p lower at 227½.

TV has hit shares, says Abell

By Lawrence Lever

Mr David Abell, the chairman of the Suter industrial holdings group, read a prepared statement to the company's annual meeting yesterday, in which he said that the allegations against him of insider dealing in a Channel 4 television programme last December, had cast a shadow on the company's share price.

Mr Abell told the meeting in London that the price did not currently represent the company's past or anticipated performance. "This discrepancy clearly stems from the shadow cast by the allegations made against me personally in a television programme on December 3 last year. The libel proceedings which I started the following day are being pursued vigorously by my lawyers," he said.

Mr Abell was accused of insider dealing in a number of companies' shares by a programme entitled *The Insiders*, made for Channel 4 by Fulcrum

Productions, an independent programme maker and publisher.

He is suing Channel 4 and Fulcrum, employing Clifford Chance as his lawyer to bring a libel action, which will run up legal costs of several thousands of pounds.

When asked after the meeting who was funding the libel action — Suter or himself — Mr Abell said that he was. "When you've lived in a small house and fought your way up like I have, you become very tough. It's very hard to worry me," he said.

The Channel 4 programme contained a lengthy interview with Mr Abell. Asked whether he had been right to give the interview, he said: "What do you think?" adding: "I'm not infallible, I make mistakes."

Mr Abell said that he was aware of a report in *The Times* that the DTI was

studying dealings in the shares of James Neill, the Sheffield tool maker, by Suter, but he had not had any communication from either the DTI or the Stock Exchange on the matter.

The Stock Exchange's surveillance team has investigated Suter's dealings in James Neill and passed details to the DTI.

The Exchange's report to the DTI is believed to focus on the timing of dealings in Neill's shares by several nominee accounts, in relation to purchases subsequently made by Suter.

Mr Abell, who retired by rotation from the Suter board, was unanimously re-elected as a director at the meeting and earned plaudits from shareholders and the Suter board.

Mr Abell told the meeting he was unable to make any specific comment on the Channel 4 programme.



Brave face: Sir John yesterday (Photograph: John Rogers)

Plessey profits dip to £172m

By Colin Campbell

Plessey, the telecommunications and electronics group, had orders worth £1.74 billion at the beginning of April, 27.6 per cent higher than a year earlier, and it is generally confident about this year's prospects, Sir John Clark, the chairman, said yesterday.

Pretax profit was down by 6.6 per cent in the year ended April 1, from £184.2 million to £172.1 million on a turnover of £1.3 billion compared with £1.43 billion.

The outcome was contrary to Sir John's forecast of a year ago. He said that half of the fall was due to negative currency influences and that the group had suffered from squeezed margins in various divisions.

Telecommunications fell by 7 per cent over the year to £81.1 million at the operating level, and electronic systems and equipment fell from £49 million to £40 million.

Sir John said there had been reduced deliveries of System X to British Telecom, and an overall reduction in sales and profits in electronic systems.

Plessey yesterday bought for £15.8 million an additional 14 per cent of Electronics Group, the Italian group, lifting its

overall interest to 49 per cent, and also announced the sale of its microsystems business to a management buyout at an undisclosed price.

Sir John said the sale of the microsystems business was in line with group strategy to concentrate on its core businesses, and that the division's future could be better secured by a management dedicated to the microsystems business.

Though the year's net earnings before extraordinary items were 1.1 per cent lower at 16.03p a share, Plessey is

Tempus

lifting the final dividend to 4.276p a share, which with the unchanged interim, lifts the year's payment by 15 per cent to 6.659p a share. The shares fell 1½p to 158½p.

Sir John said the joint venture which established GEC Plessey Telecommunications began operations in its new form at the beginning of April, and that two significant acquisitions in the defence sector in North America were completed during the year. Three other joint ventures were also formed.

Redland jumps to £185.1m

By Alexandra Jackson

Redland, the international construction materials group, pleased the market with a 42 per cent jump in pretax profits to £185.1 million in the year to end-March. The shares closed 16p higher at 406p.

The board is "highly confident of the outlook" and expects another record year.

The increase in earnings a share was a less spectacular 20 per cent. More shares had been issued to finance the acquisition of Genstar, the US aggregates business, at the end of 1986-87.

A final dividend of 10.85p was declared, making a total of 15.85p — up 22 per cent.

The figures included three months of calendar 1988 profits from the group's domestic operations, a strong period for the industry.

Tempus, page 26

Dollar boosted by jump in US growth figures

By David Smith, Economics Correspondent

A sharp upward revision of US growth in the first quarter underpinned the dollar yesterday. The pound, meanwhile, was nervous, ahead of today's announcement of the April trade figures.

The dollar rose from DM1.7040 to DM1.7060, and from ¥124.20 to ¥124.40. The pound slipped by 15 points to \$1.8630, but gained against the mark, edging a third of a penny higher to DM3.1809.

Gross national product in the US rose at an annualized rate of 3.9 per cent in the first quarter, the Commerce Department said, sharply up from the initial estimate of 2.3 per cent.

The growth figure included upward revisions of net exports and consumer spending and a downward revision of inventories.

The price deflator was revised down to an annualized increase of 2.4 per cent, from 1.7 per cent. However, this gave an artificial impression that inflation was slowing, and occurred because of changes in the weights used in calculating the figures.

On a fixed weight basis, the

price index rose by an annualized 3.6 per cent, only slightly down from the previous estimate of 3.7 per cent.

Mr David Morrison, chief international economist at Goldman Sachs, the securities house, said that the strong growth figures would encourage the Federal Reserve Board to persist with its policy of nudging monetary policy tighter. This was likely to expose the mark further, he added.

The mark's relative weakness was underlined yesterday when the Bank of France acted to cut its key interest rates. In a move foreshadowed by M. Pierre Bérégovoy, the newly appointed finance minister, the Bank's money market intervention rate was cut from 7.25 to 7 per cent. The franc held steady in spite of the cut.

The latest cyclical indicators for the British economy showed first quarter weakness of the longer leading indicators, with only a marginal recovery in April. The figures were consistent with a slowdown in the economy later this year, the Central Statistical Office said.

Finsbury blocks dividend at Rea

By Richard Thomson, Banking Correspondent

Finsbury Asset Management, the investment trust adviser, yesterday flexed its muscles by blocking the annual dividend payment of Rea Brothers, the City's smallest merchant bank in which it has a 35.9 per cent stake.

Finsbury said that instead of paying a dividend, the money would be better used by retaining it within the bank where it could go towards further business development.

The move should therefore be seen as a vote of confidence in the bank and its management's ability to restore its previous profitability. Rea Brothers has performed badly since a sharp drop to a pretax loss of £500,000 in 1985.

At the bank's annual meeting, Finsbury supported the re-election of the directors and auditors. It understood the bank's desire to recommend

the 1.10p final dividend because of the forecasts made last year in relation to the proposal to convert its convertible preference shares.

Finsbury also said it had no plans to dispose of its stake in the bank and would continue to work with the management of Rea Brothers to develop its private banking business. The announcement put an end to speculation that Finsbury was planning to sell its holding.

At a board meeting later in the day, Mr William Salomon, a director of Finsbury and the son of Sir Walter Salomon, the founder of Rea Brothers, was made a director of the bank.

Finsbury, whose investment trusts bought the Rea Brothers stake in February, is being advised on its shareholding by Phoenix Securities, the corporate finance subsidiary of Morgan Grenfell.

Crowther nears victory

Coloroll edged closer to victory in its battle for John Crowther yesterday, announcing that it now spoke for 42.2 per cent of the textile group's shares — 5 per cent higher than the level it announced last Friday. It has also received

incomplete acceptances for a further 0.8 per cent of Crowther.

Thomas Robinson, the rival bidder, purchased 1.3 million Crowther shares (1.1 per cent of the company) yesterday from the Prudential.

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'Critical years' for shipping investment

Britain's shipping industry was warned yesterday that it faces "critical years" for investment.

Mr Ian Denholm, the new president of the General Council of British Shipping, said owners needed government incentives to invest in ships if Britain was to keep a significant merchant fleet.

In his inaugural speech to council members in London, he said they had not convinced the Government of that "central need", and the Government had failed to grasp "the fundamental equations of shipping economics".

He said that last year the council gave warning of a "dramatic decline" in the health of the merchant navy as it battled unaided against heavily subsidised fleets round the world, but Mr Nigel Lawson, the Chancellor, "gave us nothing" in his last Budget.

He added: "And yet, because of the ageing fleet, the critical years for shipping investment lie immediately ahead."

Branson plans

Vanson Developments, the property arm of Mr Richard Branson's Virgin Group, has announced plans for a £15 million, 100,000 sq ft town centre shopping development at Carmarthen, Dyfed, to be called Greyfriars Court.

US interest restricts Redland rating

Redland has always wanted to be treated as a truly international building materials company, so, to hammer the point home its figures are now presented on a global basis by product.

Three core businesses — roofing, aggregates and bricks — accounted for 85 per cent of operating profits. This will rise to 95 per cent, assuming the successful disposal of the fuel distribution business.

The strongest growth came from aggregates, admittedly boosted by a maiden contribution of at least \$35 million (£18.7 million) from Genstar in the US. Bricks were also well ahead, while roofing held its own despite a sharp downturn in Australia.

Geographically, the overseas markets were strongest, with both the US and Europe flattered by acquisitions. But results from the home market were up by nearly a third. This is the only region with a March rather than a December year-end.

The mild winter has undoubtedly helped Redland, but strong demand has continued, especially in Europe. Even Australia has picked up.

In the US, Redland Worth was hit by a downturn in the Texan economy, pushing dollar profits down by a third. The market remains competitive although profits should now level out. Western-Mobile in Colorado and New

Mexico is also finding life tough.

The US outlook is not bright although Redland is well hedged by local borrowings.

Less than 45 per cent of Redland's profits are earned in Britain, of which well under half are geared to new house-building. Thus, a fall-off in activity could be absorbed by strong commercial and refurbishment markets.

The plasterboard importing operation is making money.

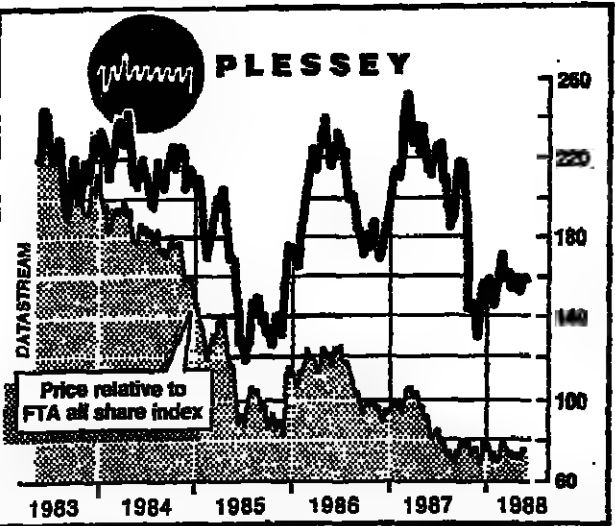
This year has started well despite worries about the US, which accounts for 18 per cent of profits. Redland should report £225 million pretax, putting the shares on a p/e of 7.7 times. This is absurdly low, given the above average earnings growth and supportive yield of more than 5 per cent.

Yet the City's aversion to companies with US earnings may conspire to make any realignment of Redland's rating closer to the sector's leaders somewhat short-lived.

Plessey

Plessey can thank its lucky stars it had such a strong final quarter, allowing it to be pleased that pretax profit in the year to April 1 was "only down 6.6 per cent", from £184.2 million to £172.1 million.

Shareholders relying on the chairman's previous state-



ment that "Plessey is firmly back on course" will, however, have other ideas about year-end results, particularly since they remain below the £176.1 million reported in 1984.

But then half of last year's profits fall was due to currency movements, and there had been enough anxious moments during the year when quarterly reports — now abandoned — were issued, leading many to fear an even worse year's performance.

The market was in a forgiving mood yesterday, leaning heavily on the strong order book — and hints that this really could be a much better year — the overall investment attitude turned positive.

It now looks as if a trading recovery pattern has been

established, and while the overall order book at end-March at £1.74 billion, or 27.6 per cent up, is itself an impressive figure, the "true" order book is even more dazzling than that.

Yet to be counted is Plessey's share of British Telecom's indicated £400 million System X order for this year, let alone the increased workload that will follow from the increased stake — costing £15.8 million — taken yesterday in the Italian Electronics Group.

The mix of Plessey's order book shows that defence orders have for the first time crossed the £1 billion mark, and that the customer net has spread so wide that 55 per cent

is non-Ministry of Defence related.

It was a year during which £120 million went on acquisitions, (of which £80 million was actually laid out). Despite that, Plessey still ended the financial period with £220 million net cash holdings.

The tax charge was lower than expected at 30.2 per cent. A rise to around 34 per cent in 1988 would have implications for the rate of growth in this year's net earnings.

However, with pretax likely to reach the £200 million level, there would still be a respectable 10 per cent eps growth, and the prospective 6.2 per cent yield is not to be sneezed at. Meanwhile the shares at 159p, down 1p, are on nine times earnings, which is not demanding.

Hazlewood

On the face of it, Hazlewood Foods is one company that ought to be pleased with Lord Young's line on Rowntree. Its acquisitions has included enough in the Netherlands to account for about a fifth of the group. Here is one company that has, in effect, been planning for 1992 since 1984.

But acquisitions, at home and abroad, have typically been small and friendly. Management is urged to stay, achieving the unusual boast that Hazlewood has 40 millionaires on its payroll.

Investment income up 16.3% at SIT

By Richard Thomson

The Scottish Investment Trust has reported a 16.3 per cent increase to £7.3 million in gross investment income for the six months to end-April and a 14.9 per cent interim dividend increase.

The Trust said the performance was particularly pleasing, as most world stock markets had not recovered their poise since the stock market crash.

Several markets, particularly in Europe, had continued to fall, with only the Far East showing significant increases. In all markets, except Britain and West Germany, the Trust had outperformed the main equity indices.

The Trust is, therefore, paying an interim dividend of 1p, compared with 0.87p last year.

It said that it had used periods of stock market strength to reduce its equity holdings in all leading markets and has gained from a substantial currency hedge against a fall in the dollar.

The Trust had made net equity sales of £34 million during the year, leaving it with £76 million cash. It is unlikely to recommit much of this liquidity to the markets in the near future.

Earnings per ordinary stock rose £17.5 million during the six month period.

Societies urged to avoid easy offers

Building societies must not offer their investors "a quick buck" to win them over to the idea of becoming quoted companies, Mr Peter Lilley, Economic Secretary to the Treasury, said yesterday.

Mr Lilley, who was speaking at the Building Societies Association conference, said borrowers and lenders should not be "unfairly induced" to support societies becoming public limited companies.

He said the Government was neutral on the conversion from mutual to plc status — an option open to the societies since the 1986 Building Societies Act.

Only one society — the Abbey National — has so far announced its intention to change to a plc status, but others are reviewing the situation in the light of changed circumstances and are still considering whether to follow suit.

Mr Lilley said: "The Government has made it clear that it neither wishes to encourage nor discourage societies from conversion."

He added that societies were currently owned by their members, and that was why stringent requirements had been inserted in the Act to ensure wholehearted support for any change.

"I believe there can be a continuing future for mutual societies. The experience of the life assurance industry suggests that mutuals and plcs can live side by side in the same market."

"But in the end, the decision about whether to stay as mutual or convert has to be one from each society and its members' own assessment of its commercial interests."

"No one can or should try to take that decision for them," the Economic Secretary emphasised.

Capital advertising impact 'equals TV'

By Rosemary Unsworth, Retail Affairs Correspondent

Capital Radio's advertising impact equals that of London independent television according to the under 35s and ABC1 social groups, according to a study carried out by the metropolitan station with the British Market Research Bureau.

For many products and campaigns, the radio station may be the most effective medium in the capital, even though it is cheaper than television, claims Capital.

The survey was carried out to try to persuade advertisers that radio is more than just a background medium, and thus less effective than television in getting its message through to the audience.

In general, the station's advertising has about four-fifths of the impact of independent television, even though it is cheaper.

"Historically, the impact of television has been assumed to be three, four or five times that of radio. Accordingly, its costs have been three, four or five times higher."

"The survey shows that if television impact is higher than radio's, then it is by a fine margin. The cost differentials remain unchanged," says the survey.

The study also showed that radio was able to reach relevant targets more selectively than television. The best examples were among food and household advertising, where housewives showed a higher recall rate than men.

The survey claims advertisers should consider reviewing some target markets. "Leisure commercials are better recalled among the over 35s than younger adults. This might reflect this age group's interest in leisure equipment, which, to date, may not be fulfilled by the marketing from this sector."

Capital's study asked 1,430 people about their recall of advertisements on Thames Television, London Weekend TV-am and Capital in the previous four hours.

Win £2,000 worth of unit trusts

- Can you identify the businessman from the photographic clue? If not, ring 0898-141-400, where you will hear his voice.
- Identify him and four other businessmen this week and £2,000 of unit trusts could be yours.
- Our Stockwatcher competition, with £50,000 worth of unit trusts from Equitable Life as prizes, is now in its sixth week.
- Equitable Life has an excellent reputation and a long history of sound investment and good returns.
- Playing Stockwatcher is simple. It involves making a single telephone call each day, Monday to Friday.
- Each day we will publish a new picture, and when you call 0898-141-400, you will hear a different voice, five each week. The recording will change at 4am each day.
- You can play now (or at any time, day or night) by calling 0898-141-400.
- The mystery guest will make a brief statement about



- his company, a further clue to his identity.
- Full details of how to complete your entry to this week's competition will appear in The Times on Saturday, together with an entry coupon.
- The first correct entry to be opened after the closing date will win the £2,000 worth of unit trusts.
- Winners may select the type of unit trust they prefer from a range recommended by Equitable Life.
- Call 0898-141-400 now.

RANKS HOVIS McDUGALL PLC

Substantial Improvement in Profits

RESULTS

Group profit before taxation for the half year ended 5 March 1988 amounted to £72.5 million compared with £52.9 million for the corresponding period of the previous year — an increase of 37%.

Substantial improvements in profits were recorded by all the divisions in the United Kingdom. Cake and confectionery trading, with Mr Kipling and Cadbury's brands, was augmented by good results from Avana Bakeries, OP Chocolate and the recently acquired Heinz frozen cakes business. In the Grocery division profits again forged ahead with excellent results coming from its numerous branded products and from many of the Avana companies within which Robertson's marmalades and jams traded particularly well; exports were also well ahead of budget.

The milling and bread baking business again improved with profits considerably ahead of last year; the benefits of recent years' heavy capital expenditure on the flour mills and bakeries continue to be reflected in satisfactory results. The Avana/general products division, which incorporates the remaining Avana businesses not transferred to our other core divisions and other general food companies, traded well with excellent results reported by the mushroom and chocolate businesses; the catering supplies and retail catering companies achieved profits which together were close to the record results of the comparable period last year.

In the Overseas division results from the Pacific region were ahead of last year, with increased profits coming from the main areas in the Far East, Australia and New Zealand. Profits in the United States were below those of the comparable period and were affected by exchange rate movements and the disposals of our pasta and juice companies in that country.

Interest costs increased primarily as a result of the purchase of the Avana business but, despite this and a higher taxation charge, earnings per Ordinary share rose by 18.9 per cent to 13.2p per share.

INTERIM DIVIDEND

The Board has decided to pay on 15 July 1988 to Ordinary shareholders registered at the close of business on 17 June 1988 an interim dividend for the year to 3 September 1988 of 3.18p per Ordinary share, an increase of 20 per cent over the interim of 2.65p per share paid in 1987. This payment will absorb £10.8 million.

OUTLOOK

The Group's very satisfactory results for the first half year are continuing and I am confident we shall have another record year.

SIR PETER REYNOLDS, CHAIRMAN
25 May 1988

	Half year to 5 March 1988	Half year to 26 February 1987	Year to 5 September 1987
External sales	£843.2m	£742.3m	£1,543.8m
Profit before taxation	£72.5m	£52.9m	£116.1m
Earnings per share	13.2p	11.1p	24.0p
Interim dividend per share	3.18p	2.65p	—

Copies of the full Interim Report are available from:
The Secretary, Department R, Ranks Hovis McDougall PLC, PO Box 178,
Alma Road, Windsor, Berkshire SL4 3ST.

RHM
RANKS HOVIS McDUGALL PLC

Hazlewood drops plan to take over Northern

By Graham Searjeant, Financial Editor

The battle for Rowntree has produced such a scramble for shares in other takeover candidates in the food sector that it has put off one potential bidder, Hazlewood Foods.

The City was expecting Mr Dennis Jones, the finance director and public voice, to announce a bid for Northern Foods, in which Hazlewood has a near 4 per cent stake, at the same time as its annual results yesterday.

Instead, the fast-growing Hazlewood announced to the Stock Exchange that bid price expectations had become so inflated that it had abandoned thoughts of bidding "in the present circumstances."

"We had a very close look and were serious in intent. But we are not in the business of exchanging 50p coins for a pound," said Mr Jones.

Northern shares immediately dropped 12p to 280p, but recovered to 284p. There has been speculation of other potential bidders.

Hazlewood insisted it "would not make an acquisition on terms which would impair its future earnings per share growth." The company has a seven-year record of raising earnings per share by 30 per cent a year.

This was comfortably achieved in the year to end-March when pretax profits rose 80 per cent to £33.8 million on a 90 per cent rise in turnover to

£360 million. Hazlewood also raised its annual dividend from 2.1p to 2.6p per share.

Hazlewood has previously grown by numerous small friendly acquisitions, usually of private companies, leading it into a range of products, from bottled water and pork scratchings to tomatoes, smoked salmon and kitchen towels. It plans to revert to this formula.

"The acquisition pipeline is reasonably full without Northern," says Mr Jones. "Last year I did 12 acquisitions and would be fairly relaxed if I had to do that again this year."

Since 1984, Hazlewood has developed a strong position on the Continent in expectation of 1992, particularly in the Netherlands, where it has bought fish, meat, tomato and onion producers. Four more Dutch companies and two in West Germany were added last year.

Continental operations produced more than £7 million of Hazlewood's profits last year and the Dutch companies had an 80 per cent export ratio.

Mr Jones says Continental operations are likely to remain at between 20 and 25 per cent of the group as it expands.

Mr John Lowe, the chairman, says Hazlewood has a foundation upon which to build a significant inter-European business for the 1990s.



Profits jump: Dennis Jones (Photograph: James Morgan)

Profits up at Irish Distillers

By Lawrence Lever

Irish Distillers, the drinks company whose brands include Jamesons and Bushmills Irish whiskeys, made pretax profits of IR£7.8 million (£6.6 million) for the six months to March 31 1988, against IR£5.7 million in the corresponding half last year. Turnover rose from IR£117 million to IR£126 million.

The company says that it is expecting a "satisfactory" outlook for the full year and attributed the half-year profits increase to reduced costs plus a small increase in sales. But the shares fell 6p to 232p.

It has been rumoured as a possible bid target after reports that IIF Finance, the Irish food group which owns 20 per cent of Irish Distillers, was looking for a buyer for its stake. Guinness is the favourite to bid. An interim dividend of 2.2p (2p) is being paid.

Beecham in Saudi Arabia drugs deal

By Derek Harris, Industrial Editor

Beecham Group, the pharmaceuticals and toiletries group, has achieved an international first by signing a specialist know-how and licensing agreement to produce its penicillin at Saudi Arabia's first pharmaceutical factory.

Saudi Arabia is one of the biggest pharmaceutical markets in the Middle East, worth about £250 million a year in sales, and Beecham already has about 20 per cent of the antibiotics sector. But its biggest penetration is in the private sector - about half the

market - and the new agreement should give its products a better sales edge in the public sector.

The agreement was signed in London with the Saudi Pharmaceutical Industries and Medical Appliances Corporation which is building a factory at Al Qassim near Riyadh.

The £55 million plant, due to start production next year, will manufacture 80 pharmaceutical products and provide about a quarter of the kingdom's essential medicines.

Globe trust falls 11%

The £900 million Globe Investment Trust, the country's largest, was hit both by the worldwide stock market crash and the effect of a weak dollar on its US investments. In the year to end-March, net asset value per share dropped 11.7 per cent to 170.62p on a fully diluted

basis, slightly worse than the 10.3 per cent drop in the FT All-Share index in Britain.

Dividends were, however, up almost 10 per cent to 4.52p.

Meanwhile, Globe has bought another 500,000 shares in Corporate Estates, taking its stake to 7.65 per cent.

Marshall's record of £13.1m

By Alexandra Jackson

Marshall's Halifax, the Yorkshire concrete products company, earned record pretax profits in the year to end-March of £13.1 million, against £9.7 million in 1986-87.

Sales of £105.52 million are "comfortably ahead" in the current year, according to Mr David Marshall, the chairman. A final dividend of 5.25p is declared, making a total of 7.25p, up 16 per cent. Earnings per share advanced from 15.8p to 20.8p.

It invested £10.7 million on new plant and machinery which contributed to the widening of operating margins from 11.7 per cent to 13.5 per cent. Since the year-end the group has negotiated the purchase of George Armitage, the specialist brickmaker.

Including a contribution from Armitage, analysts are forecasting another good year for Marshall's with pretax profits up to £19.5 million.

RHP lifts profit to £11.7m

RHP Group yesterday unveiled a 22 per cent increase in its interim pretax profits from £9.5 million to £11.7 million, despite a downturn in turnover from £87.4 million to £78.1 million.

Six months ago RHP was an engineering group, today it is an electronics business, having sold the bearings interests in December for £73.5 million, and paid £90 million for the quoted Burgess Group.

Earnings per share are up from 7.8p to 8.6p, and an interim dividend of 2.4p (2.2p) a share will be paid.

Hanover rises

Hanover Druce, the estate agent and financial services group, raised pretax profits by 24 per cent to £1.8 million against £1.4 million in the year to February 29. Turnover was £18 million, up 40 per cent. Earnings per share decreased from 15.7p to 14.3p, but the company is paying a final dividend of 3p, making 4.35p (3.85p) for the year.

Smart payout

J Smart & Co (Contractors), the Edinburgh builder, increased pretax profits in the six months to January 31 by 70 per cent to £1.12 million, helped by a £235,000 exceptional gain from a claim settlement. The half-way dividend is raised to 1.6p (1.45p).

Warner ahead

Warner Estate Holdings raised pretax profits to £2.39 million (£2.14 million) in the six months to end-March, producing earnings of 3.2p (2.88p adjusted). Turnover was up from £5.91 million to £6.3 million and a 2p interim dividend will be paid.

Net value falls

Murray Technology saw a decline in net asset value from 107.05p to 83.79p in the year to end-March, although pretax revenue rose from £100,000 to £122,000, and earnings per share rose from 0.44p to 0.57p a share. The dividend is held at 0.4p a share.

Earnings leap

Airlow Streamline is paying a 4p final dividend, making 5p (3p) for the year, after pretax profits rose to £2.57 million (£1.66 million) in the year to end-February. Turnover rose from £41.3 million to £49.4 million. Earnings per share rose from 11.95p to 16.54p.

Bid approach

Jersey General Investment Trust has received an approach which could lead to a takeover offer.

COMMENT David Brewerton

Sweetheart deal versus a pocketful of cash

Klaus Jacobs makes no bones about it: if it comes to a shoot-out between his Jacobs Suchard and rival Nestlé, the latter has the deepest pocket.

The chairman of the latest and so far highest Rowntree bidder knows precisely how far he is prepared to lean to gain control. And he must suspect that Nestlé is prepared to go further. If it becomes a matter of prestige to Nestlé to control Rowntree, he will back out before he pays too much.

Even at the present offer of 950p plus the dividend, Suchard is taking what Herr Jacobs describes as a "very tough bite," but admits that to acquire the company he is prepared to stretch very far.

Unlike Nestlé, Suchard is prepared to stretch its imagination to the point where it could allow outside equity investors to retain shares in a Rowntree which has been enlarged to take in the Suchard milk chocolate business. That would not be an enormous sacrifice, since it would take the pressure off the financing arrangements it has to make with its Swiss banks. At the same time, it would add credibility to its claims that it wants to see Rowntree remaining as a freestanding unit. Suchard has only 50 head office employees, and pushes management down the line.

But if Herr Jacobs was hoping that he would have the same way with Yorkshiresmen as he has with horses, he had better think again.

Kenneth Dixon of Rowntree may have little in the defence locker against a bid which offers an exit p/e ratio of more than 20 times forecast 1988 earnings, but he has not given up the fight yet.

And why should he? Although 46 per cent of the capital is in Swiss hands, there is no sign of co-operation between Nestlé and Suchard: quite the reverse.

Suchard may, eventually, take its profit on Rowntree shares and sell to Nestlé, but this is unlikely unless Nestlé first gains control. That means Nestlé has to acquire, through its increased bid, which is unlikely to be long coming, some 63 per cent of the so far uncommitted shares, or 35 per cent of the capital. The Rowntree trusts have about 7 per cent.

If Nestlé fails to gain control, its bid will lapse and Rowntree will be left in the uncomfortable position of having two substantial minority shareholders, each seeking a deal and each able to renew their bid after the required period of grace. That would keep the Rowntree share price flying higher than their pre-bid level, and focus the attention of management as never before.

But if Nestlé decides to come in with a knockout bid of, say, £12 a share, Suchard may decide that it would sooner take the short-term profit and risk the long-term disadvantage of having Rowntree owned by Nestlé.

Sterling's moment of truth

The general direction of world interest rates is probably still upwards. But that conviction must be rather more hesitant today than 24 hours earlier.

Before the French presidential election, conventional wisdom had it that markets were only waiting for the result before either pushing French interest rates up or forcing a realignment within the European Monetary System to devalue the franc.

As it turns out, one of the first acts of M. Pierre Berégovoy, the new French finance minister, has been to cut rates by ¼ per cent, make the banks' reserve requirements slightly less onerous and further relax exchange controls - all this while keeping the franc steady against the mark. So much for conventional wisdom.

The trick has been worked more because of the stability of the dollar than as a result of market enthusiasm for another seven years of M. Mitterrand. With exchange rates between the big three currencies temporarily in equilibrium, traders have been attracted to the higher yielding currencies such as sterling and the franc.

This has given the French an opportunity to relax their monetary policy

slightly, which in turn will make it more difficult for the German Bundesbank to react to any tightening by the US Federal Reserve by putting its own rates up. Yesterday Herr Leonhard Gleske, the Bundesbank board member responsible for currency matters, confirmed that there was "still no reason to change" Germany's present monetary stance.

The revised estimates of US GNP growth in the first quarter of the year are rather more ambiguous. The implicit deflator, a measure of inflation, was revised down from an annual rate of 2.4 per cent to 1.7 per cent, mainly because of a change in the mix of output.

But the growth rate was revised up from 2.3 per cent per annum to an impressive 3.9 per cent. Although this mainly reflects a satisfactory rise in net exports, consumer spending and investment have also been strong, suggesting inflationary pressures may yet develop.

For sterling the moment of truth will come with the April trade figures due to be published today. If the pound survives the figures with any sort of composure the receding prospect of higher rates in Europe may make it more difficult for Mr Lawson to avoid a further cut in Britain.

Reed to sell European paper division

By Colin Campbell

Reed International is selling all its British and Continental paper and packaging manufacturing interests to a management buyout, and its North American paper interests to an unidentified trade purchaser, in another significant sale of the family jewels.

Reed yesterday said the resources and management time released by the sales would be channelled towards its growing publishing and information businesses, which would now be its main activity.

No further details about the sales would be made until June 8, when Reed is due to announce preliminary results for the year to April 2, but the management buyout of the British and Continental interests - collectively known as Reed Manufacturing Group - is being led by its chief executive, Mr Peter Williams.

Negotiations are taking place with institutions, including British Coal Pension Fund, British Railway Pension Fund, 3i, Prudential Assurance and Chemical Bank.

Reed was founded in 1894 as a newspaper business, and by the mid-1960s had grown into an international group with at least 15 diverse businesses.

However, it has taken the view that international business was developing on a broader front, and the players had to grow bigger to keep up.

In 1984 it sold the Mirror Group to Mr Robert Maxwell, the publisher, and in 1985 it sold off its building products interests. Reed Manufacturing Group

employs 13,900 people in Britain, Ireland and the Netherlands, with 28 packaging factories. In the year to end-March 1987, it reported trading profits (before central costs) of £56.4 million compared with £46.5 million in 1986, on a turnover of £706 million (£648 million).

Trading profits of the North American Paper Group, now being sold, in the 1987 year were £24.4 million against £14.2 million, on a turnover of £179 million (£161 million).

Gartmore puts trust in Waddell

Amid speculation that Gordon Waddell, the former Scotland rugby cap and ex-director of South Africa's biggest mining company, Anglo American Corporation, is being lined up for a top job at British Coal, he has, I hear, just been successfully headhunted by the fund management group Gartmore.

Glasgow-born Waddell, aged 51, who returned from South Africa last year to pursue other business interests - he is also a director of Cadbury Schweppes - will be joining the board of Gartmore's £272 million Scottish National Trust, the largest split-level capital investment trust in Britain. Married into the Oppenheimer family, the straight-talking Scot established a reputation as one of the most prominent and dynamic businessmen in the republic during his time in South Africa, his chairmanship there including Rustenburg Platinum Holdings and South African Breweries. An outspoken critic of apartheid, he stood for the Progressive Federal Party and represented Johannesburg North for three years from 1974. But given such wide-ranging abilities, and the fact that his two British posts are both part-time, it is interesting to note that British Coal chairman Sir Robert Haslam's three-year term expires in September. Methinks that perhaps the Government has been discreetly spreading whispers to test political reaction...

THE TIMES CITY DIARY

Job hopes fail to flower

Ernst Brutsche, Midland Bank's highest-paid executive, earning £630,000 a year, is not a happy man. For the appointment this week of his friend George London as head of Midland's combined investment and international banking operation was effectively a snub. Brutsche had, I am told, hoped to get the job himself after the resignation of Hervé de Carmoy a month ago. But he took the news stoically, going ahead with a scheduled visit to the Chelsea flower show. Meanwhile, de Carmoy - who, ironically, left because of the lack of career opportunities - has, I hear, already found himself another job with a Continental group. Perhaps Brutsche should follow suit...

Top tip

Thomas J. Watson Jr, who built up IBM, has definite ideas about promotion. "I never hesitated to promote someone I didn't like. The comfortable assistant - the nice guy you'd like to go on fishing trips with - is a great pitfall. I looked for those sharp, scratchy, harsh, almost unpleasant guys who see and tell you about things as they

really are. If you can get enough of them around you, and have patience enough to hear them out, there is no limit to where you can go."

Nick of thyme

Irrepressible entrepreneur Nick Oppenheim, who has started more businesses than most people have had hot dinners, is taking a break this week while Phillips & Drew raises funds for his latest venture, Whitegate Leisure, which is quite likely to end up in the restaurant business. An enthusiastic cook already, the hearty chap - whose switchboard amuses waiting callers with aged Flanders and Swan recordings - has, I hear, been away in Florence this week, perfecting the art on a cookery course. His aides tell me that he regularly cooks dinner for his wife Tania and their three daughters at weekends, his speciality being pasta with a garlic and chilli pepper sauce.

Berry lifts his stake

Making a rare exception to its closed season rule, the London Stock Exchange this week gave Blue Arrow chairman Tony Berry permission to pick up 100 ADRs in the company - at £21½ each - equivalent to a further 1,000 ordinary shares at the current market price of 116p. But given his existing holding of 14 million shares - for which he paid up to 160p apiece - it might seem surprising that he should want to increase his costly stake still further. With his interim results barely a month away, this latest purchase was, I am told, carried out to comply with a quaint American custom. Blue Arrow ADRs started dealing in the US this month and it is traditional for the chairman of a newly quoted firm to buy a few shares. Clearly confident that his shares will one day rise back above 160p, Berry was only too happy to oblige.

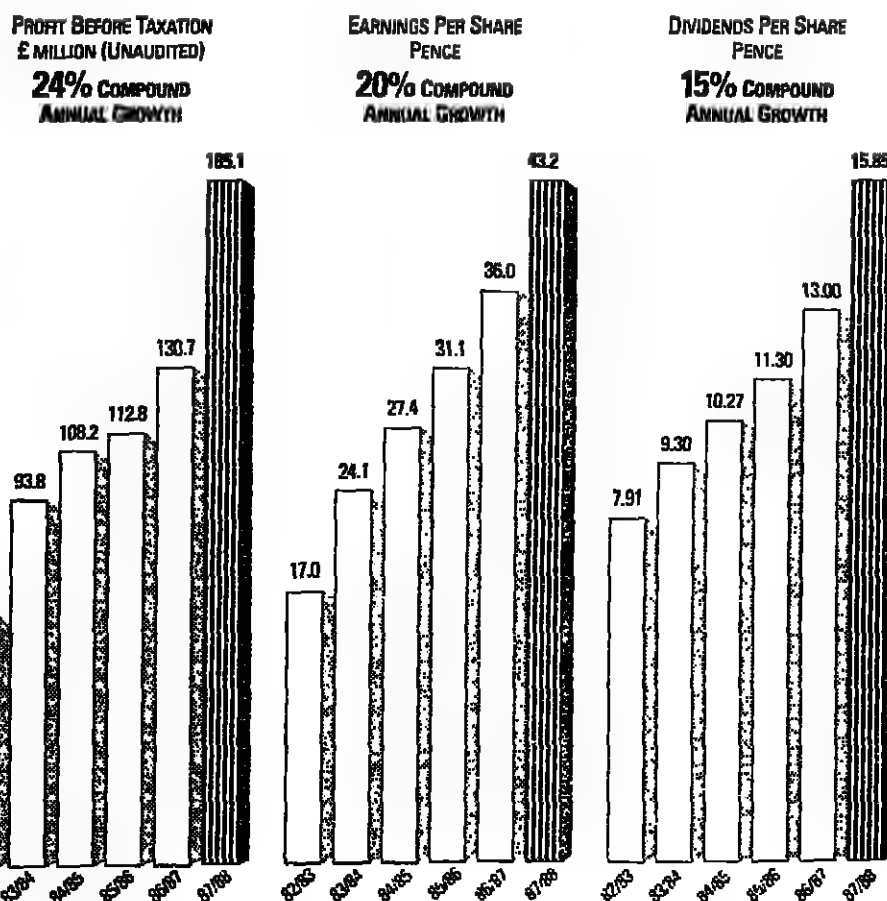
© The redundancies go on, this time at Hoare Govett... The firm has, I hear, just axed 22 staff from its Security Pacific fixed interest side, formed ahead of Big Bang - seven of them from the Eurobond department and 15 from gifts and financial futures. Explaining that the company was "restructuring to meet market conditions," a spokesman tells me that the remaining 175 fixed interest staff have been given an assurance "that we now feel very comfortable with current staff levels."

Carol Leonard

Redland 1988

KEY RESULTS

- ☆ Profit up 42%
- ☆ Earnings per share up 20%
- ☆ Final dividend up 25%
- ☆ A strong start to the new year



To obtain a copy of the 1987/88 Annual Report, due out 1st August, please send this coupon to: The Secretary, Redland PLC, Redland House, Reigate, Surrey RH2 6SJ, England.

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Redland

BUSINESS ROUNDUP

Pretax profits slip at Associated Fisheries

Associated Fisheries, the cold store and food trading group, raised operating profits by 25 per cent to £2.7 million in the six months to end-March. At the pretax level, however, the figures fell to £2.24 million, from £3.01 million last time. Then, they were boosted by a \$2 million (£1.07 million) windfall profit on the sale of a US investment. The company is paying a same-again dividend of 1p.

The board said it expected the improvement at the operating level to be maintained for the rest of 1988. Profits from the core cold storage, transport and warehousing division showed a fall from £1.16 million to £742,000. The fast food division, since sold, also saw a reduction, from £160,000 to £132,000. All other divisions showed an improvement. The company is 51 per cent owned by Eastern Produce (Holdings).

Racal choice for float GEC sells £15m site

Racal, the electronics group, has appointed House Govett as stockbroker for the proposed floatation of Vodafone, its booming cellular radio business. Vodafone is likely to be valued at between £1.5 billion and £2 billion and the shares will be offered in London, New York, and several European and Far Eastern centres.

Local London Group, the business centre specialist, has acquired from GEC the freehold of a multi-storey light industrial and office complex with 380,000 sq ft space at Brook Green, Hammersmith, west London, for £15 million. The company intends to enhance the site for conversion into its business village concept.

Southnews for USM

Southnews, a publisher of seven paid-for and nine free newspapers in the south east of England, is coming to the USM, via a placing by the merchant bank Hill Samuel, with a price tag of £24.25 million. Dealings are expected to start on Thursday. At the placing price of 160p, and based on a notional 35 per cent tax change, the p/e multiple is 12.9.

Existing shareholders are selling 1.44 million shares and the company is raising £2.7 million by issuing another 1.69 million, £2.33 million of which will be used to redeem preference shares and loan stock. These were issued when the group was bought out from Westminster Press in 1986. In all, 20.6 per cent of the company will be quoted.

Liffe's role in 1992 policy

Mr David Burton, right, the new chairman of the London International Financial Futures Exchange, said Liffe should have a "loud voice" in determining the City's direction in the run-up to 1992. He said Liffe should seek European accord, as competing exchanges would drain liquidity and participation from each other.



Whitcroft £10m deal

Whitcroft, the building supplies, lighting and property conglomerate, has bought a north London supplier of resin-based treatments for house walls for a maximum £10 million. It paid £5.4 million on completion for the Wallcote Group, with the balance, based on pretax profits, due in July 1990.

Wallcote made £575,000 before tax and proprietors' remuneration in the year to end-March 1987 on turnover of £2.4 million, and both figures for the subsequent financial year are likely to be "significantly ahead," said Mr Peter Gould, the Whitcroft joint managing director. The group consists of five companies with a head office at Hendon, north London, and a factory at Bicester, Oxfordshire. It operates nationally through installation centres in London and Somerset and seven regional sales centres.

ASW share allocations

The flotation of ASW Holdings, attracted applications for 38.7 million shares, against 26.7 million on offer from SG Warburg, the merchant bank. Employee applications for 1.61 million have been met in full. Allocations are: 1,000 shares or fewer - full; 1,500 shares - 1,200; 2,000 - 1,400; 2,500 upwards - 66 per cent of applications.

Profits leap at Parkland

Parkland Textile (Holdings), the Bradford, West Yorkshire, worsted spinner and manufacturer, raised pretax profits by 53 per cent to £2.37 million in the year to March 4 as the company reaped the benefit of its heavy capital investment. Sales rose by 12 per cent to £59.75 million. A final dividend of 3.9p makes a total of 5.7p, up from 5p last time.

Spain's telephone company is on the right lines

From Joe Joseph, Madrid

Waiting for a new telephone line to be connected in Spain is as rewarding as trying to stir a Spaniard from his siesta. Delays of six months are common.

The saving grace for Telefonica, the country's national telephone company, is that the delay reflects booming demand for its services rather than the shortcomings of a *mañana* mentality.

Telefonica's tarnished image at home, where the abuse it receives from frustrated customers would make even British Telecom blush like a tomato, contrasts starkly with its image overseas.

About 23 per cent of the partly state-owned company's equity is now held abroad. Its shares are listed in New York, London, Tokyo, Frankfurt and Paris, where blue chip institutions are impressed with the company's growth record and its prospects in a country in which both the official and the black economies are flourishing.

Telefonica's pretax income for the first quarter of this year climbed 58.1 per cent to 25

billion pesetas (£119 million). Operating revenues were up 17.6 per cent to 145 billion pesetas. Demands for new lines grew by 20 per cent and usage by 7 per cent. Demand for the fancier data transmission services expanded even faster.

Announcing the glossy figures yesterday in Madrid, Señor Luis Solana, Telefonica's chairman, admitted that problems had resulted from the explosion in demand for new lines and the steep rise in Spain's telephone traffic, a rise fed by the hefty 6 per cent annual growth in the Spanish economy.

But regarding the domestic backlog as a sort of chaos under control, Señor Solana said: "Telefonica will be able to respond within six months' time to the growing demand. Next year we will install 2 million new lines. I think it would be difficult to find another country in Europe with such an investment programme."

None the less, he conceded that "getting back to normal is getting back to a wait of two to three months."

But while some regard this queue of thwarted would-be telephone users as a

headache, others see it as a boon. In a country in which only about 30 out of every 100 inhabitants have a telephone - about half the rate for Spain's EEC neighbours - there is plenty of room to grow.

What has also made Telefonica attractive to foreign investors is its expansionist policy abroad.

At the end of March Telefonica signed a letter of intent with the Argentine authorities for joint development of telecom services in Argentina. Such a deal is likely to be a springboard into Latin America, where the shared language and the antipathy of many South American nations to do business with their northern neighbour promise rewards for Telefonica.

At the same time it is looking eastward. "We want to increase our presence in the Soviet Union and other Eastern European countries which wish to modernize," says Señor Solana.

Telefonica has already secured a deal with the Soviet Union to make half a million telephones a year and is negotiating to set up a private telephone network in Moscow.

Nor is it dragging its feet in its own backyard. It recently set up a joint venture with America's AT&T to make microchips in a high-tech factory north of Madrid - AT&T's first plant in Europe.

In February Telefonica agreed an equity swap with Telstra, the Italian Fiat group's telecommunications subsidiary, to develop jointly European telecom projects.

Señor Solana said yesterday that he had also managed to persuade British Telecom to join in efforts to strengthen co-operation in Europe.

At home, Telefonica is planning to invest 330 billion pesetas this year and 440 billion in 1989, with 75 per cent of the financing coming from the river of cash flowing through the company.

Telefonica is facing one of its biggest tests. In 1992 the Barcelona Olympics and the World Fair in Seville will put a heavy strain on Spain's telecommunications system. The strain on Telefonica's reputation if things go wrong will be even more severe.

Carless profit soars by 80%

By Geoffrey Foster

Shares of Carless Capel & Leonard, the independent oil company, have been hitting new peaks lately on speculation that Lord Rayne's London Merchant Securities property group is about to sell its 27.4 per cent stake in the company to a predator. So its shareholders were obviously hoping for some good profits news yesterday.

They were not disappointed as CCL reported an 80 per cent jump in pretax profits to £6.8 million on turnover up 20 per cent to £125.7 million.

The final dividend is maintained at 1.75p to leave the total unchanged at 2.75p with shareholders being offered the option of receiving new shares instead of cash for all or part of the final dividend.

The group's stated British proven and probable net oil and gas reserves rose by 47 per cent to 32.3 million barrels of oil equivalent, excluding reserves held through Century Power and Light which was sold last month to Acre Oil for £51.9 million.

Mr Ian Clubb, Carless's chief executive and managing director, views the future with optimism and says the group's upstream activities have considerably increased its reserve base which should be reflected in future results, while the downstream earnings are expected to show steady progress following the rationalization of recent acquisitions and with organic growth.

The company says that the results are all the more pleasing in view of a number of adverse factors which have affected the oil industry over the last 12 months including the continued instability in crude oil prices, a depreciating dollar, eroded margins and an exceptionally mild winter.

The company is proposing to change its name to Carless PLC which it believes will strengthen its corporate identity within the marketplace. Despite the good results, the shares cheapened 3p to 123p as some speculators grew tired of waiting for news regarding LMS's stake.

Lilley builds on recovery as profits turn around to £2m

By Alexandra Jackson

FJC Lilley, the Glasgow construction group, was back in the black in the year to end-January with pretax profits of £2.2 million against a £50.5 million loss last time.

No dividend was paid, but the directors are optimistic that payments may resume soon if a proposed capital reconstruction proceeds.

Mr Lewis Robertson, the chairman, who was called in to rescue Lilley 18 months ago, said he was optimistic about the recovery prospects for the business, although there was still work to be done.

"I am very encouraged, however, by the quality of the continuing businesses," he said. "In our home markets, these companies generated profits of £6 million, a 53 per cent improvement over the previous year. We should continue to make steady progress in the current year."

City analysts expect pretax profits to reach about £5 million this year.

The balance sheet has been considerably strengthened. The sale of property and other assets raised £35 million and a further £21 million was generated from improved financial management and successful pursuit of claims. Borrowings were reduced from £57.4 million to £12.1 million.

Capital and reserves at the year-end stood at £10.6 million against £18.5 million in



Optimistic about prospects: James Armstrong, finance director (left), Lewis Robertson, chairman (centre), and Joe Barber, chief executive (Photograph: James Morgan)

1986-87. During the year Lilley's net current assets moved from a negative £12.2 million to a positive £9.2 million.

Lilley's past difficulties centred on a construction business in the United States, which accumulated losses of about \$80 million (£42 million). Lilley has ceased to tender for new work in that

market and is completing outstanding work.

The extraordinary item of £11.6 million covers the final tranche of costs associated with Lilley's withdrawal from the US.

The exceptional charge of £1.1 million comprised a £2.2 million provision on a contract in Cairo taken on by its US subsidiary, offset by prof-

its on asset disposals.

Continuing businesses, on which the group earned £7.7 million of operating profits, generated sales of £192 million against 1986-87 profits of £2.4 million on sales of £203 million. As the business is tightened further this year, sales may decline again, but margins are expected to improve. The order book at end-April stood at £130 million.

Brewer boosted by higher margins

By Our City Staff

Wolverhampton & Dudley Breweries, the regional brewer, boosted pretax profits for the half year to March 27 by 16 per cent to £11.18 million, as a result of increased volumes across all the group's product ranges and improved margins.

The half-year dividend is raised to 2.15p from 1.82p. The first half saw the acquisition or building of 12

public houses and the purchase of another 61 from Heron International, although the latter would not contribute to profits until next financial year, said Mr Alan Flockhart, the finance director. The group now owns about 850 pubs.

"We saw increased volumes in ale, lager, wine and spirits, and our market share was up as well," he added. Margins improved to 17.1

per cent, from 16.2 per cent.

Gearing remained low, although the Heron purchase and the acquisition of a batch of sites for future development would mean a cash outflow for the year as a whole, Mr Flockhart said.

Another regional brewer, south London-based Young and Co's Brewery, has reported pretax profits for the year to end-March little changed at £3.59 million, after

£3.56 million the previous year.

A final dividend of 4.7p increases the year's total to 9.2p, from 8.5p.

The company said an increase in retail profits had been balanced by a fall in beer volume. Profits were inflated by a £126,000 gain on a property disposal but trimmed by £209,000 spent on reorganizing the company's free trade business.

Polly Peck buys £36m HK shell

By Martin Walker

Polly Peck International, the conglomerate headed by Mr Asif Nadir, is buying Rainbow Orient Corporation, a shell company quoted on the Hong Kong Stock Exchange, as a vehicle for its non-US textiles interests.

It will pay £36 million cash, equal to the cash balances already held by Rainbow. The aim is to have 25 per cent of the company in public hands by the end of August, said Mr Tony Reading, the Polly Peck managing director.

Polly Peck plans to inject Shui Hing Polly Peck International, which is based in the Crown Colony, and Palmco (UAE), based at Dubai, into Rainbow. It has large majority holdings in both companies.

The reshaped venture will be named Polly Peck Far East.

and the British group will keep the controlling shareholding for the foreseeable future.

Mr Reading said his company had been looking for a vehicle in Hong Kong for some time, but its plans had been delayed by the October market crash. Rainbow would offer additional opportunities for growth, possibly by acquisition.

"It confirms the presence in the Far East of Polly Peck and allows us a new vehicle for expansion," he added.

● Dixons Group, the electrical retailer, has been given permission by the Japanese authorities for its listing on the Tokyo stock exchange, which will raise £16.2 million by the issue of 9.3 million shares at 174p each. Dealings start in Tokyo on May 31.

LEP bid talks lift outlook hopes

By Colin Campbell

LEP Group, now reorganized and operating with five distinct divisions, is involved in various negotiations, including property interests in London and a bid in the United States, raising the board's hopes for this year's prospects.

Pretax profits for the year ended December rose from £8.89 million to £11.1 million, on turnover up from £891.5 million to £938.9 million. The final dividend rises from 2.25p to 2.7p a share, making 3.9p (3.25p) for the year.

Mr John Read, the chairman, says LEP shares will be traded in the US through the ADR mechanism after completion of a deal to acquire the balance of National Guardian Corporation. In addition, an announcement on medium-

term funding of LEP House, St Paul's Vista, London, is expected soon. The result of this deal should provide a cash surplus of £40 million, and in turn reduce gross gearing, which was 90 per cent at balance sheet date, to nearer 20 per cent.

LEP has made a £5.1 million extraordinary provision against the freight forwarding operations in Austria, where unacceptably large losses have been incurred for several years, and is confident that from now on Austrian operations will trade in profit.

LEP paid £19.6 million for a property portfolio from Heron Group last November which is performing well.

Mr Read added that trading was better than at this time last year, and the board was optimistic about prospects.

Holmes à Court faces inquiry

Bell Group sales are questioned

Melbourne (Reuters) - Mr Robert Holmes à Court appeared yesterday before the private inquiry which is studying the sale of stakes in Bell Group.

In April Mr Holmes à Court sold two equal holdings of 19.99 per cent in Bell Group to Bond Corporation Holdings and the Western Australian State Government Insurance Commission, which raised a total of Aus\$333 million (£142.91 million).

The Western Australian State Government Insurance Commission also underwrote the placement of Aus\$150 million in Bell Group bonds.

The National Companies and Securities Commission began investigating the deal after minority shareholders complained that control of Bell may have passed without a bid.

This week officials from the Companies and Securities Commission have questioned State Government Insurance Commission executives and others including Mr Alan Bond, the chairman of Bond Corporation Holdings, in a



Tight-lipped: Holmes à Court

private hearing at its Melbourne, Victoria, office.

Mr Holmes à Court made no comment when he arrived at the inquiry. The National Companies and Securities Commission has said it expects to complete

statement on the Bell inquiry at the conclusion of the hearing.

Mr Holmes à Court meanwhile will face his shareholders for the first time since the sale when he attends the annual meeting of Bell Group's 44.7 per cent-owned associate, Bell Resources, in Perth, Western Australia, next Tuesday.

Bell Resources is seen by analysts as the heart of the Bell chain with more than Aus\$1.5 billion in cash and credit lines and important assets including 12 per cent of the Broken Hill Proprietary Company - the legacy of Mr Holmes à Court's four attempts at Broken Hill Proprietary which ended with the October stock market slump.

Both Bond Corporation Holdings and the Western Australian State Government Insurance Commission have applied for directorships of Bell Resources but both Bell Group and Bell Resources have agreed not to make new appointments until the National Companies and Securities Commission inquiry is completed.

Wheway in £2.6m double buy

Wheway, the engineer, is buying Wright Rain and Javelin, the loss-making companies involved in the manufacture and installation of pumping systems for horticultural irrigation for a total of £2.65 million.

Wright Rain, the subject of a management buyout from Birmid Qualcast, the lawnmower maker, 18 months ago, set up Javelin as a subsidiary more recently. Mr Ted Jeynes, the Wheway chairman, said the two companies had not yet seen the full advantages of concentrating on growth areas such as horticulture and waste water systems.

They would benefit from Wheway's existing distribution system and would also be able to source their products from its forgings business.

The acquisition is funded by the issue of 3.4 million new Wheway shares, placed at 78p.

Half-year fall at AJ Archer

AJ Archer Holdings, the Lloyd's insurance underwriter which came to the stock market this year, has reported pretax profits for the six months to end-March £140,000 lower at £144,000. The result is in line with the forecasts made at the time of the flotation.

The profits drop reflects the costs of the reorganisation from a partnership to a public limited company. The board says Archer is expected to beat the forecast £5.3 million for the full year, as the 1985 underwriting year of each of its syndicates has now been closed.

Beazer sale

CH Beazer, the building materials group, has reduced its holding in BM Group, the engineer, from 29.4 per cent to 14.5 per cent. Beazer has also sold its 29.9 per cent BM convertible preference shares. The sale to Shearson-Lehman Hutton Securities raised £24 million.

Dobson rise

Dobson Park Industries, the mining equipment to electronics group which launched a £25 million abortive bid for MS International this year, reports an increase in pretax profits from £7.1 million to £9.12 million for the six months to April 2. The interim dividend is pegged at 1.9p.

£420,000 deal

Ash & Lacy, the steel stockholder, has bought the Southampton-based AMF Galvanizers for £420,000 in cash. AMF will be renamed Southampton Galvanizers and will be developed along with Joseph Ash, an A&L subsidiary on nine sites throughout the country.

NZPF bid

NZ Forest Products said its bid for Elders Resources, a subsidiary of Elders IXL, has been declared unconditional and extended to July 6. Acceptances totalled 61.4 per cent of issued shares and notes.

An extraordinary meeting of NZFP shareholders approved changing the company's name to Elders Resources NZFP.

Whessoe up

Whessoe, the engineer, saw a turnaround in the half-year to March 26, with pretax profits of £760,000 against a £5.36 million loss which included redundancy and restructuring costs of £3.13 million. The group is paying a half-time dividend of 1p. There was no interim last time but a full-year payment of 1p was made.

BASE LENDING RATES

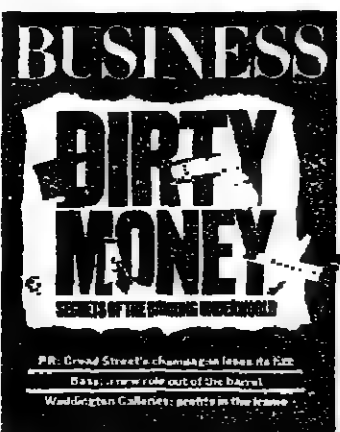
ABN	7.50%
Adam & Company	7.50%
BCCI	7.50%
Consolidated Crds	7.50%
Co-operative Bank	7.50%
C. Hoare & Co	7.50%
Hong Kong & Shanghai	7.50%
Lloyds Bank	7.50%
Mid Westminister	7.50%
Royal Bank of Scotland	7.50%
TSB	7.50%
Citibank NA	7.50%

Q. WHY IS A BOMBAY BUS TICKET WORTH \$10,000?

A. HAWALA

Among the world's banking networks is one so secret it has no address, no records, no controls. But your corner shop may be part of it. This month, **BUSINESS** investigates how Hawala, India's money laundry, is now being hijacked by international crime. Also, why a former Co-op shelf-filler is souping up US supermarkets, how Bass is fermenting a leisure empire, timely advice on pension plans, the discreet charm of the Costa del Sol and the problems facing ageing studs.

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How the world views hostile bidders

The most open market in the world — for now

The United States remains the most open market in the world for foreign takeovers despite a record number of acquisitions over the past two years which have aroused strong protectionist sentiments.

The fear that America is becoming a wholly-owned subsidiary of foreign companies is a big election-year issue.

There were attempts to curb foreign acquisitions during the long, tortuous debate over the US Trade Bill. But the version President Reagan vetoed this week did not contain protectionist amendments which were defeated.

However, Administration officials gave a warning that as the wave of takeovers continues and important US landmarks fall into foreign hands,

UNITED STATES

there is likely to be a groundswell of public support for restrictions.

Recent public opinion polls in California revealed strong anti-Japanese sentiments in response to newspaper reports of an invasion of property buyers from Japan.

If current trends remain, British and Japanese investors would stand to lose the most from US restrictions since they have currently the largest direct investment in the US.

Last year, Britain led all other nations with 256 direct US purchases valued at \$27.2 billion (£14.59 billion). This was more than double the 1986 acquisitions which were valued at \$13.6 billion.

At the end of 1986, Britain

was the clear leader in direct US investment valued at \$51.4 billion, followed by the Netherlands at \$42.9 billion and Japan with \$23.4 billion.

British companies also completed some of the largest and most highly visible US takeovers last year, notably the \$7.6 billion acquisition of Standard Oil by BP and the \$1.7 billion purchase of Kiddle, a US conglomerate, by Hanson.

In recent acquisitions, public hostility as manifested by coalitions of legal and political groups at state level has grown. The hostile bid for Koppers by Beazer in co-operation with Shearson Lehmann is a good example.

At the national level, nothing is likely to happen until next year when a new president takes office and faces influential Democrats in Congress who are determined to create some form of an industrial policy in response to the enormous US trade deficit.

The tone and substance of this debate will be determined by the outcome of the elections in November.

Bailey Morris

The Sachard and Nestlé bid battle for Rowntree, has put into focus the openness of British industry to hostile overseas bids compared with other countries.

But how accurate is this picture? And to what extent is it the target companies themselves rather than government

policy which determine whether hostile bids are feasible?

Our correspondents examine the current position in some of the leading industrial countries, at a time when international bids are increasing sharply, not least under the influence of the Single European Market in 1992.



Brian Beazer, the chairman of the Midlands builder whose United States expansion plans to take over Koppers, the aggregates company, have run foul of protectionist sentiments

Bid barriers build up around Bourse

FRANCE

French governments have traditionally intervened in foreign bids for French companies, despite the lack of anything resembling a legally enforceable takeover code. In the past, bidders have faced demands to guarantee that the management remains French and all French nationals keep their jobs.

The grounds for government action are not always clear to outsiders. A recent example is the initial refusal to approve Pearson's £88 million offer for the publisher of *Les Echos*, the financial newspaper. Its controlling shareholders eagerly accepted what was acknowledged as generous terms, but M Edouard Balladur, then finance minister, would not approve the deal because Mr Rupert Murdoch's stake in Pearson raised doubts about its status as an EEC company. The objection was subsequently withdrawn.

But apart from a statutory five-day delay for official review, there is not much on the books by way of "shark repellent" for the predators who have taken a keen interest in French companies since the shares crash produced some very tempting possibilities for foreign bidders.

True, there are still a good

many non-voting shares in circulation in France, and small investors remain fairly uninformed and unaffluent when it comes to bids.

A few weeks before his departure from office, M Balladur was worried enough about the vulnerability of French companies to announce new measures to make life more difficult for bidders. As soon as 10 per cent of the target company's shares have been acquired, bidders must now inform the Bourse.

M Balladur favoured reducing the one-month notice required for calling an extraordinary meeting. He seemed to envisage the strategic use of immediate increases in share capital or a swift search for a *chevalier blanc* to submit a more acceptable counter offer.

But none of these proposals had been formally adopted before M François Mitterrand's election victory this month. With a general election due next month, it remains to be seen how the incoming administration, which looks likely to be Socialist, will tackle the takeover issue.

Philip Jacobson

Share structure is the key to defence

The bid-proof nature of Swiss companies derives not from direct intervention by the government at the first hint of a hostile bid, but from the ability of Swiss firms to structure themselves so that contested takeovers are effectively ruled out.

The Swiss government is not entitled to step in and head off foreign takeovers, although bids can be referred to the Cartel Commission.

The ultimate protection is the power that Swiss companies have to refuse to register any shareholder for voting purposes. Typically, the share structures of Swiss companies are complex, involving registered and bearer shares, and participation certificates, all with varying voting rights.

Swiss companies can also limit the number of shares they will register for any one shareholder, and make specially directed rights issues to ward a takeover bidder.

Herr Helmut Maucher, the

SWITZERLAND

Nestlé chairman, writing in *The Times* last week, pointed out that many British companies were protected through their voting structures. He also said shareholders in companies with restricted shareholdings ultimately had to pay the price of that restriction in the performance of their shares.

The battle for Rowntree, and the focus it has placed on the closed nature of Swiss companies, is likely to add to pressure within Switzerland for reform of corporate shareholding structures. Even before the Nestlé bid for Rowntree, the argument was gaining strength within Switzerland that changes were needed, particularly in the context of the European Community's 1992 reforms.

David Smith

Keeping it all in the family

A hostile foreign takeover attempt in Japan would fail mainly due to the high percentage of cross-holdings between large corporations. And should a foreign firm attempt a hostile takeover, it would face the whole "family

JAPAN

of relationships," centring on at least one bank that surrounds companies.

In fiscal 1986 shareholdings by Japanese corporations totalled 70.47 per cent while individuals held only 23.9 per cent. This latter figure represents the total of the shares actively traded on the exchange, the 50 per cent of interlocking shareholdings are not traded unless by agreement between the two parties.

The interlocking shareholdings often involve banks which are allowed to hold up to 5 per cent of any company's shares. Because of cross-holdings between the shareholding companies, an impenetrable barrier is presented. Even smaller companies tend to be connected to large corporations and certainly to one of the big banks who have unlimited resources, through the central bank, to fight off any unwelcome attention.

David Watts

Sweden, whose own companies have expanded rapidly into the multinational arena, still pursues an extremely restrictive policy on foreign investment.

Foreign companies need special permission to buy stakes of more than 10 per cent and government approval must be obtained to invest in any company with more than 500 employees.

Applications for shares in smaller companies are dealt with by local authorities and under current legislation which is being reviewed, foreigners are banned from owning shares in Swedish banks.

Only 250 companies in Sweden are more than 50 per cent foreign-owned, employing a total of 55,000 people.

SWEDEN

Foreigners also need official permission to acquire property and mineral rights, to operate a haulage or publishing business and to manufacture defence goods. Sweden has low corporate tax and good depreciation on plant and equipment, to encourage investment. Profits and dividends may be transferred freely once the company has met its reserve requirements.

Christopher Mosey

This week, Courtaulds announced preliminary profits before tax of £221m, up 10% on 1986/87, itself an outstanding year.

For any business, however, the final test of performance must be earnings.

Over the past ten years, Courtaulds earnings per share have grown at a compound annual rate of 14%.

Over the past five years, this growth rate has been 30%.

Sooner or later, growth in earnings can only be sustained by growth in sales, this coming in turn from management skill and ideas in forever finding better ways to meet customer needs against top international competition.

For that reason, it is worth noting that the businesses now in the Courtaulds Group show an average sales increase of more than 8% each year since 1979/80.

We have consistently said that the answer to the questions that face any company driving for growth is its performance over time.

We see our latest results as another sure step along our road, and a tribute to the professionalism of our management and workforce.

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AUTHORISED		ISSUED AND FULLY PAID	
No.	£	No.	£
58,121,100	58,121,100	3,267,266	32,672,585
Ordinary Shares of 10p each			

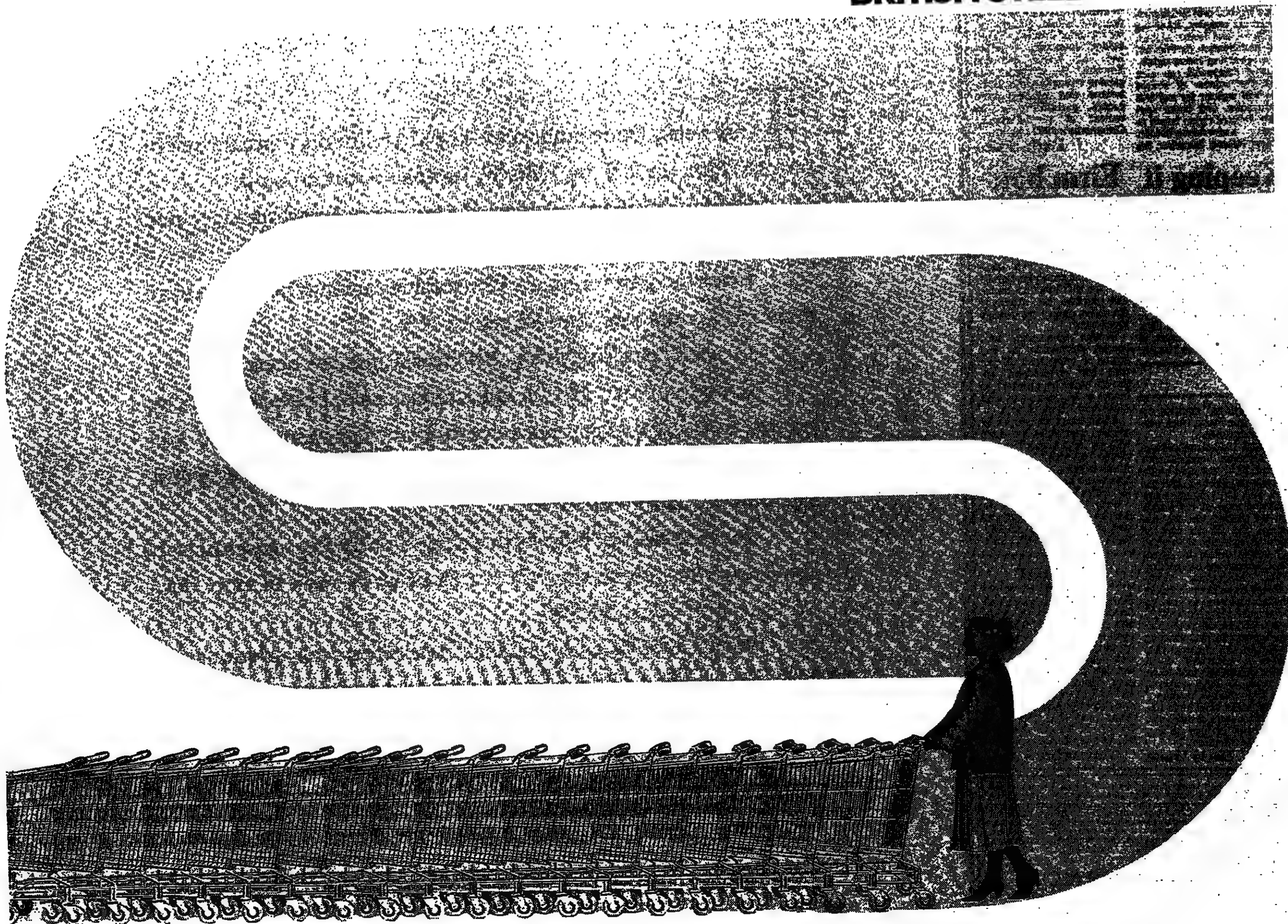
The Company is a holding company for a group that comprises three autonomous trading divisions—Foods, Automotive and Leisure; the Company also has interests in textiles through its holding of 56 per cent of the issued share capital of Propeller PLC, whose shares are quoted on the Third Market.

Particulars of the Company have been circulated in the Unlisted Securities Market. Copies of such particulars may be obtained from the Company Announcements Office of The International Stock Exchange, 46-50 Finsbury Square, London EC2A 1DD until 1st June, 1988 and, during normal business hours on any weekday (Saturdays excepted) up to and including 10th June, 1988, from:

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Manufacturing such a wide range of tough and precise steels has helped to make our business strong.

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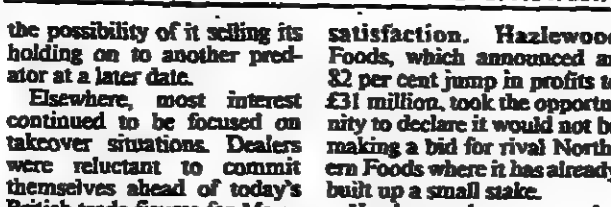
We exceeded last year's £178 million profit in the first half of this year.

To any remaining doubters, British Steel's performance demonstrates one thing for sure:

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GKN shares up on bid speculation

General Cinema is the smaller of the two companies and marketmen are not ruling out



But the sharp rise in share prices in the food sector has not been to everyone's

Waterford Glass improved 1p to 94p as dealers continued to pin their hopes on a bid from Fitzwillson, the investment vehicle of Dr Tony O'Reilly.

**Michael Clark and
Geoffrey Foster**

Dow up in early trade

The Dow Jones industrial average rose 14.63 to 1,976.00 at one stage when the trans-

[illegible]

By Martha Waller

A special dividend was less likely than a share buy-back

Texaco to speed asset sales, said the analyst. Mr. Icahn has called for a break-up of the company but management has insisted on selling assets at its discretion.

Texaco has called the offer "illusory," and said it "provides absolutely no details regarding financing."

But some arbitrageurs said more than \$7 billion in Texaco assets could be sold, making the deal possible.

In a letter describing the offer, Mr. Icahn said he would sell Texaco Canada, of which Texaco owns 78 per cent, and

Caltex, a joint venture with

LONDON TRADED OPTIONS

[illegible]

Bank of Scotland
Lloyds Bank
National Westminster Bank
Standard Chartered Bank
TSB England and Wales
TSB Scotland

We're
successful
because we care
about health



PRIVATE PATIENTS PLAN

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Position _____

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STOCK EXCHANGE PRICES

Equities mark time

ACCOUNT DAYS: Dealings began May 23. Dealings end June 3. Contango day June 6. Settlement day June 13.
Forward bargains are permitted on two previous business days.

Prices recorded are at market close. Changes are calculated on the previous day's close. Where one price is quoted, it is a middle price. Changes, yields and price earnings ratios are based on middle prices. (a) denotes Alpha Stocks. (VOLUMES PAGE 31)

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PLUS NEW
Accumulator

From your Portfolio gold card check your eight share price movements, on this page daily. Add them up to give you your overall total and check this against the daily or accumulator dividend figures. If it matches or better this figure you have won outright or a share of the daily or accumulator prize money staged. If you win, follow the claim procedure on the back of your card. Always have your card available when claiming. Game rules appear on the back of your card.

No.	Company	Share Price	Change
1	VPI Co	10.00	0.00
2	Black	10.00	0.00
3	Domestic Int	10.00	0.00
4	Tibet & Britain	10.00	0.00
5	Southland Prop	10.00	0.00
6	Brewery	10.00	0.00
7	BHH Group	10.00	0.00
8	Finke Gp	10.00	0.00
9	Vickers	10.00	0.00
10	IS Pathology	10.00	0.00
11	Stanley (AG)	10.00	0.00
12	Trans	10.00	0.00
13	Tomkins	10.00	0.00
14	P-E International	10.00	0.00
15	WPP	10.00	0.00
16	Hunting Assoc	10.00	0.00
17	Nest (a)	10.00	0.00
18	YRM	10.00	0.00
19	Rush & Tompkins	10.00	0.00
20	Courtside (a)	10.00	0.00
21	Middlemore	10.00	0.00
22	Glaxo	10.00	0.00
23	Power Corp	10.00	0.00
24	Siber	10.00	0.00
25	EMC Gp (a)	10.00	0.00
26	Ampol	10.00	0.00
27	Freemantle	10.00	0.00
28	Davis & Newman	10.00	0.00
29	VG Instruments	10.00	0.00
30	Schroder	10.00	0.00
31	Beeton Hill	10.00	0.00
32	Sock Shop	10.00	0.00
33	Weston	10.00	0.00
34	Dixons Gp (a)	10.00	0.00
35	Eng China Clay (a)	10.00	0.00
36	Carson	10.00	0.00
37	Hall (a)	10.00	0.00
38	Bentalls	10.00	0.00
39	Mackay (High)	10.00	0.00
40	Chamberlain & Hill	10.00	0.00
41	Quadrant Group	10.00	0.00
42	Highland Elec	10.00	0.00
43	Menzies	10.00	0.00
44	Redington	10.00	0.00
45	United Newspapers Ltd	10.00	0.00

Please take into account any minus signs

Weekly Dividend						
Please make a note of your daily totals for the weekly dividend of £8,000 in tomorrow's newspaper.						
Mon	Tue	Wed	Thu	Fri	Sat	Sun

BRITISH FUNDS

1988	High	Low	Stock	Price	Change	%
1	100	100	100	100	0.00	0.00
2	100	100	100	100	0.00	0.00
3	100	100	100	100	0.00	0.00
4	100	100	100	100	0.00	0.00
5	100	100	100	100	0.00	0.00
6	100	100	100	100	0.00	0.00
7	100	100	100	100	0.00	0.00
8	100	100	100	100	0.00	0.00
9	100	100	100	100	0.00	0.00
10	100	100	100	100	0.00	0.00

FIVE TO FIFTEEN YEARS						
1	100	100	100	100	0.00	0.00
2	100	100	100	100	0.00	0.00
3	100	100	100	100	0.00	0.00
4	100	100	100	100	0.00	0.00
5	100	100	100	100	0.00	0.00
6	100	100	100	100	0.00	0.00
7	100	100	100	100	0.00	0.00
8	100	100	100	100	0.00	0.00
9	100	100	100	100	0.00	0.00
10	100	100	100	100	0.00	0.00

OVER FIFTEEN YEARS						
1	100	100	100	100	0.00	0.00
2	100	100	100	100	0.00	0.00
3	100	100	100	100	0.00	0.00
4	100	100	100	100	0.00	0.00
5	100	100	100	100	0.00	0.00
6	100	100	100	100	0.00	0.00
7	100	100	100	100	0.00	0.00
8	100	100	100	100	0.00	0.00
9	100	100	100	100	0.00	0.00
10	100	100	100	100	0.00	0.00

UNDATED						
1	100	100	100	100	0.00	0.00
2	100	100	100	100	0.00	0.00
3	100	100	100	100	0.00	0.00
4	100	100	100	100	0.00	0.00
5	100	100	100	100	0.00	0.00
6	100	100	100	100	0.00	0.00
7	100	100	100	100	0.00	0.00
8	100	100	100	100	0.00	0.00
9	100	100	100	100	0.00	0.00
10	100	100	100	100	0.00	0.00

INDEX-LINKED						
1	100	100	100	100	0.00	0.00
2	100	100	100	100	0.00	0.00
3	100	100	100	100	0.00	0.00
4	100	100	100	100	0.00	0.00
5	100	100	100	100	0.00	0.00
6	100	100	100	100	0.00	0.00
7	100	100	100	100	0.00	0.00
8	100	100	100	100	0.00	0.00
9	100	100	100	100	0.00	0.00
10	100	100	100	100	0.00	0.00

BANKS, DISCOUNT HP

1988	High	Low	Company	Price	Change	%
1	100	100	100	100	0.00	0.00
2	100	100	100	100	0.00	0.00
3	100	100	100	100	0.00	0.00
4	100	100	100	100	0.00	0.00
5	100	100	100	100	0.00	0.00
6	100	100	100	100	0.00	0.00
7	100	100	100	100	0.00	0.00
8	100	100	100	100	0.00	0.00
9	100	100	100	100	0.00	0.00
10	100	100	100	100	0.00	0.00

BREWERIES						
1	100	100	100	100	0.00	0.00
2	100	100	100	100	0.00	0.00
3	100	100	100	100	0.00	0.00
4	100	100	100	100	0.00	0.00
5	100	100	100	100	0.00	0.00
6	100	100	100	100	0.00	0.00
7	100	100	100	100	0.00	0.00
8	100	100	100	100	0.00	0.00
9	100	100	100	100	0.00	0.00
10	100	100	100	100	0.00	0.00

BUILDING, ROADS						
1	100	100	100	100	0.00	0.00
2	100	100	100	100	0.00	0.00
3	100	100	100	100	0.00	0.00
4	100	100	100	100	0.00	0.00
5	100	100	100	100	0.00	0.00
6	100	100	100	100	0.00	0.00
7	100	100	100	100	0.00	0.00
8	100	100	100	100	0.00	0.00
9	100	100	100	100	0.00	0.00
10	100	100	100	100	0.00	0.00

FINANCE, LEAD						
1	100	100	100	100	0.00	0.00
2	100	100	100	100	0.00	0.00
3	100	100	100	100	0.00	0.00
4	100	100	100	100	0.00	0.00
5	100	100	100	100	0.00	0.00
6	100	100	100	100	0.00	0.00
7	100	100	100	100	0.00	0.00
8	100	100	100	100	0.00	0.00
9	100	100	100	100	0.00	0.00
10	100	100	100	100	0.00	0.00

FINANCIAL TRUSTS						
1	100	100	100	100	0.00	0.00
2	100	100	100	100	0.00	0.00
3	100	100	100	100	0.00	0.00
4	100	100	100	100	0.00	0.00
5	100	100	100	100	0.00	0.00
6	100	100	100	100	0.00	0.00
7	100	100	100	100	0.00	0.00
8	100	100	100	100	0.00	0.00
9	100	100	100	100	0.00	0.00
10	100	100	100	100	0.00	0.00

FOODS						
1	100	100	100	100	0.00	0.00
2	100	100	100	100	0.00	0.00
3	100	100	100	100	0.00	0.00
4	100	100	100	100	0.00	0.00
5	100	100	100	100	0.00	0.00
6	100	100	100	100	0.00	0.00
7	100	100	100	100	0.00	0.00
8	100	100	100	100	0.00	0.00
9	100	100	100	100	0.00	0.00
10	100	100	100	100	0.00	0.00

CHEMICAL, TV						
1	100	100	100	100	0.00	0.00
2	100	100	100	100	0.00	0.00
3	100	100	100	100	0.00	0.00
4	100	100	100	100	0.00	0.00
5	100	100	100	100	0.00	0.00
6	100	100	100	100	0.00	0.00
7	100	100	100	100	0.00	0.00
8	100	100	100	100	0.00	0.00
9	100	100	100	100	0.00	0.00
10	100	100	100	100	0.00	0.00

DRAPERY, STORES						
1	100	100	100	100	0.00	0.00
2	100	100	100	100	0.00	0.00
3	100	100	100	100	0.00	0.00
4	100	100	100	100	0.00	0.00
5	100	100	100	100	0.00	0.00
6	100	100	100	100	0.00	0.00
7	100	100	100	100	0.00	0.00
8	100	100	100	100	0.00	0.00
9	100	100	100	100	0.00	0.00
10	100	100	100	100	0.00	0.00

HOTELS, CATERERS						
1	100	100	100	100	0.00	0.00
2	100	100	100	100	0.00	0.00
3	100	100	100	100	0.00	0.00
4	100	100	100	100	0.00	0.00
5	100	100	100	100	0.00	0.00
6	100	100	100	100	0.00	0.00
7	100	100	100	100	0.00	0.00
8	100	100	100	100	0.00	0.00
9	100	100	100	100	0.00	0.00
10	100	100	100	100	0.00	0.00

INDUSTRIALS A-D						
1	100	100	100	100	0.00	0.00
2	100	100	100	100	0.00	0.00
3	100	100	100	100	0.00	0.00
4	100	100	100	100	0.00	0.00
5	100	100	100	100	0.00	0.00
6	100	100	100	100	0.00	0.00
7	100	100	100	100	0.00	0.00
8	100	100	100	100	0.00	0.00
9	100	100	100	100	0.00	0.00
10	100	100	100	100	0.00	0.00
11	100	100	100	100	0.00	0.00
12	100	100	100	100	0.00	0.00
13	100	100	100	100	0.00	0.00
14	100	100	100	100	0.00	0.00
15	100	100	100	100	0.00	0.00
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17	100	100	100	100	0.00	0.00
18	100	100	100	100	0.00	0.00
19	100	100	100	100	0.00	0.00
20	100	100	100	100	0.00	0.00
21	100	100	100	100	0.00	0.00
22	100	100	100	100	0.00	0.00
23	100	100	100	100	0.00	0.00
24	100	100	100	100	0.00	0.00
25	100	100	100	100	0.00	0.00
26	100	100	100	100	0.00	0.00
27	100	100	100	100	0.00	0.00
28	100	100	100	100	0.00	0.00
29	100	100	100	100	0.00	0.00
30	100	100	100	100	0.00	0.00
31	100	100	100	100	0.00	0.00
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33	100	100	100	100	0.00	0.00
34	100	100	100	100	0.00	0.00
35	100	100	100	100	0.00	0.00
36	100	100	100	100	0.00	0.00
37	100	100	100	100	0.00	0.00
38	100	100	100	100	0.00	0.00
39	100	100	100	100	0.00	0.00
40	100	100	100	100	0.00	0.00
41	100	100	100	100	0.00	0.00
42	100	100	100	100	0.00	0.00
43	100	100	100	100	0.00	0.00
44	100	100	100	100	0.00	0.00
45	100	100	100	100	0.00	0.00
46	100	100	100	100	0.00	0.00
47	100	100	100	100	0.00	0.00
48	100	100	100	100	0.00	0.00
49	100	100	100	100	0.00	0.00
50	100	100	100	100	0.00	0.00
51	100	100	100	100	0.00	0.00
52	100	100	100	100	0.00	0.00
53	100	100	100	100	0.00	0.00
54	100	100	100	100	0.00	0.00
55	100	100	100	100	0.00	0.00
56	100	100	100	100	0.00	0.00
57	100	100	100	100	0.00	0.00
58	100	100	100	100	0.00	0.00
59	100	100	100	100	0.00	0.00
60	100	100	100	100	0.00	0.00
61	100	100	100	100	0.00	0.00
62	100	100	100	100	0.00	0.00
63	100	100	100	100	0.00	0.00
64	100	100	100	100	0.00	0.00
65	100	100	100	100	0.00	0.00
66	100	100	100	100	0.00	0.00
67	100	100	100	100	0.00	0.00
68	100	100	100	100	0.00	0.00
69	100	100	100	100	0.00	0.00
70	100	100	100	100	0.00	0.00
71	100	100	100	100	0.00	0.00
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73	100	100	100	100	0.00	0.00
74	100	100	100	100	0.00	0.00
75	100	100	100	100	0.00	0.00
76	100	100	100	100	0.00	0.00
77	100	100	100	100	0.00	0.00
78	100	100	100	100	0.00	0.00
79	100	100	100	100	0.00	0.00
80	100	100	100	100	0.00	0.00
81	100	100	100	100	0.00	0.00
82	100	100	100	100	0.00	0.00
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84	100	100	100	100	0.00	0.00
85	100	100	100	100	0.00	0.00
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87	100	100	100	100	0.00	0.00
88	100	100	100	100	0.00	0.00
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91	100	100	100	100	0.00	0.00
92	100	100	100	100	0.00	0.00
93	100	100	100	100	0.00	0.00
94	100	100	100	100	0.00	0.00
95	100	100	100	100	0.00	0.00
96	100	100	100	100	0.00	0.00
97	100	100	100	100	0.00	0.00
98	100	100	100	100	0.00	0.00
99	100	100	100	100	0.00	0.00
100	100	100	100	100	0.00	0.00

A helping hand to join the game

Alexandra Jackson looks at a growing practice that benefits business, sport and the arts

Sponsorship has been hailed as the new marketing vehicle and is being promoted with vigour by sponsors and sponsored alike. The phenomenon in its modern form originated in the United States, but it has been growing fast in this country and is spreading to the Continent. Hoards of consultants, specializing in the field, have sprung up, matching events with sponsors. And sponsors themselves have set up organizations to promote the practice and lobby for their needs. Sponsorship is, however, not the same as patronage. It is an arrangement of mutual benefit to both parties, where the sponsor has as clearly defined commercial objectives as has the recipient of the largesse. It is more than a way in which big business can save its capitalist conscience, although wanting to put something back into the community is a recurrent theme. As a way of increasing corporate awareness, sponsorship is normally cheaper than an advertising campaign, and therefore, accessible to small companies. Moreover, though it is harder to measure the benefits of sponsorship directly, it has a nicer image than hard-nosed advertising. Sponsorship is, however, a risky business. Being linked to a controversial or unsuccessful event can be damaging. Though growing, sponsorship still meets only a small proportion of the financial needs of the beneficiaries. Even so many sporting and artistic events could not proceed without outside support. Despite this, there can be a degree of hostility from the recipients of spon-

sorship money from the arts and sports world alike. Some may worry that a sponsor will taint the event with commercialism, although a greater understanding of the benefits has reduced these worries. The media have also been criticized by sponsors for failing to acknowledge the financial link between the event and the sponsor. This can deter potential sponsors. An increasing amount of promotional effort is being put into the event over and above the actual sponsorship. This maximizes the return that can be earned. Britain is very behind the US in making sponsorship tax-effective. There are benefits to be gained from charitable giving, but on the sponsorship front, there are few tax advantages, particularly if there is anything other than a straight commercial benefit to the sponsor. This is almost always distorted by the wish of the sponsor to entertain existing and potential customers. The prestige of being able to do this is one of the main attractions to sponsors. The tangible benefits of sponsorship are virtually impossible to measure. Often, however, the long-term benefits - generating goodwill within the community and building up sound business contacts - are more significant. In hard times, local loyalties can pay off, as shown by the Pilkington escape from the clutches of BTR and the current furore over the Swiss assaults on Rowntree.



Sponsorship in sport and ballet: the message can be shown on a singlet or sign or more subtly behind the scenes in financial support

Big money plays ball

Many a Roman senator was bankrupted by the cost of gladiatorial games. But to be given the opportunity to sponsor such an event was a great honour and often led to political preferment. Sports sponsorship has moved on since then, but it remains a more direct form of sponsorship than the arts. The extensive media coverage afforded to sport makes it an ideal vehicle. Participation sports are also growing in popularity. The Institute of Sports Sponsorship, set up by a handful of blue-chip companies, promotes the practice of sports sponsorship and lobbies at all levels. As an international

activity, sports attracts multinational sponsors. Sports sponsorship is far larger than arts sponsorship, reflecting the media opportunities and the scope for direct product promotion. Standing at £16 million in 1975, it rose to £165 million last year. Clubs and individuals find it more difficult to get sponsorship than events because success often precedes the securing of a worthwhile sponsor. Thus sports sponsorship is criticized for failing to develop younger talent. Sports sponsorship can, however, provide products for competitors to use. Certain sports have a particular

image that some sponsors wish to avoid. Yet the entry of Barclays into the minefield of the football league, with a £1.3 million central sponsorship deal, shows that opposites can team together very effectively. Football sponsorship is worth £17 million a year, £14.4 million of which is spent on individual clubs, the rest on central sponsorship. The first division got the lion's share with £10.6 million last season, with Division Two getting £1.5 million and Division Three and Four £1.3 million and £700,000 respectively. Brewers are the biggest sponsors of football overall. Alexandra Jackson

Arts spending reaches £30m

Sponsorship of the arts is not new. Many a Renaissance artist depicted his patron as a benign and cultured man when the reality would have revealed a much tougher and uncultured character, writes Alexandra Jackson. But in just over a decade, business sponsorship of the arts has grown from £600,000 to £30 million last year. The growth was steady throughout the period and did not falter during recessionary years. Much of the credit can be placed at the feet of the Association for Business Sponsorship of the Arts, formed in 1977, which has done much to increase awareness among businesses of the benefits

of sponsorship. The arts field is the more emotive aspect of sponsorship as the performers are often far removed from the pressures of the commercial world. They fear interference from sponsors. There is also a worry that sponsorship will lead to a reduction in government funding although figures suggest otherwise. It is a supplement, not a substitute. Indeed a recent government scheme to match new sponsors' money and to top-up schemes funded by those increasing their budget, has raised an additional £17 million for the arts since the end of 1986. Sponsorship of the arts is a very small part of

the total budget in this area of £2 billion. Of this £400 million comes from central government and £1 billion from local authorities. Sponsorship of the arts is a very acceptable medium for business, keen to influence and entertain the opinion formers. Until recently it has tended to be London-oriented, although lately the provinces have become more prominent. The accusation that only safe establishment events are sponsored is also less valid, as Mobil's sponsorship of a playwright's competition, linked to the Royal Court Theatre, demonstrates. The more aggressive approach

is seen in the linking of names of sponsors to events - The Dillons Poetry Prize and the NCR Book Prize being recent examples. In the past this was considered tasteless. Sponsors of the arts are easily intimidated by the arts establishment. A league table of the largest arts sponsors includes BP, Barclays, Lloyds, National Westminster, Midland, IBM, Digital Equipment, Shell, Marks and Spencer, W.H. Smith, Sainsbury, Royal Insurance and British and Commonwealth. The top four in this group spend over £1 million, with the others exceeding £300,000 each.

British TELECOM

BRITISH TELECOM
ALL UK DISTRICTS

MR J PUBLIC
137 WELLFIELD STREET
LONDON
SW1 2BY

Telephone number
01-808 6584

Annual charge
CREDIT £500,000.00

See Notes
Overleaf

Payment
is Now
Due

1 MAY 88

Date of bill (tax point)
1 MAY 88

Any call charges
not to hand
when this bill

How to get some joy out of British Telecom.

During the next 12 months, thousands of people all over Britain will be able to see the Royal Philharmonic Orchestra and the Royal Shakespeare Company perform. British Telecom are sponsoring two new

company tours, taking in many towns and regions which rarely see an orchestra or theatre company of such quality. And these are but two examples of a major sponsorship programme from British

Telecom. Arts festivals and exhibitions the length and breadth of the country are involved. And we're also supporting environmental improvement and special schemes for

our disabled customers. It all adds up to well over £500,000. And for a change, we'll be receiving the bill. **British TELECOM** It's you we answer to

In 1986 the Minet Group — major Lloyd's and international insurance brokers — entered into a £1.5m agreement to sponsor British sportsmen and women in their preparation for the Olympics.

Like our athletes, we have done our groundwork over the years and make the same commitment to the pursuit of excellence.



MINET
OLYMPIC AWARDS
The Minet Group
Lloyd's and International Insurance Brokers
100 Leman Street, London E1 8HG. Telephone 01-481 0707



Talent should never go unrecognised.

Lloyds Bank's Community Programme seeks out talent wherever it may be.



A THOROUGHREB AMONGST BANKS.

1. Simon Rattle - City of Birmingham Symphony Orchestra. 2. Age of Chivalry Exhibition.
3. Riding for the Disabled. 4. Student Film Awards. 5. Nigel Short - Chess Grand Master. 6. RSC Design Bureau Award.
7. Julia Porter and Sharon Snagg - Project Fulfillment. 8. Royal Philharmonic Black Horse Pops.
9. David Bellamy - Young People's Trust for Endangered Species.

BUSINESS SPONSORSHIP/2

FOCUS



Sponsorship in music: Mrs Olive Watson, conductress of the Moss Grove Choir, Glengormley, encourages Lorraine Cardwell to hit the high notes in the Belfast heat of the Sainsbury's Choir of the Year competition

Sponsorship and TV: the suspicion remains

No early change is expected in the law to allow sponsorship in broadcasting, says
RICHARD EVANS

If broadcasting sponsorship is to take off in Britain, a fundamental change in the existing law will be needed. Though ministers are more than sympathetic to growing demands from potential sponsors and some TV chiefs for a shake-up, the latest delays in the Government's legislative timetable for broadcasting ensure it will be the summer of 1990, at the earliest, before any alterations reach the statute book.

Existing restrictions on sponsorship are exceedingly tight. The BBC, under its licence and agreement with the government, is specifically forbidden to broadcast any sponsored programme although it can cover sponsored events, provided the coverage is not itself sponsored.

While independent television does not face such a comprehensive blanket ban, its room for manoeuvre is not much greater.

According to the Broadcasting Act, sponsorship money

can be accepted for factual portrayals of "doings, happenings, places, or things", which the Independent Broadcasting Authority believes are of intrinsic interest or instructional value and "do not comprise an undue element of advertising".

The coyness, and to an extent, suspicion surrounding TV sponsorship stems from the example of US television in the 1950s, just when Britain's ITV system was being established. Parliament was clearly at pains to avoid what was regarded as the excessive brassiness of American commercial television.

Apart from preventing dreaded phrases such as "and now for a word from our sponsors..." creeping into British programmes, there were numerous examples of sponsors deliberately interfering in the editorial content of American-made programmes.

The most celebrated, still remembered 30 years on, involved the American Gas Association, which helped sponsor a 90-minute play about the Nazi death camps and had the words "gas chamber" deleted from the production in order not to damage their corporate image.

The end result here is a law, basically unchanged for 34 years, couched in the most complex legal wording which does not mention "sponsorship" once, and has had the IBA seeking interpretations and guidance from lawyers ever since.

No wonder a recent report into broadcasting sponsorship, commissioned by Paragon Communications, concluded: "Given the problems which surround broadcasting sponsorship today the faint-hearted and uncommitted would be best advised to wait until the rules of the game are made simpler — and expensive, off-putting mistakes less easy to commit. Under present legislation, only the most enthusiastic and determined will reap full benefit from their sponsorship."

Claire Mulholland, the IBA's deputy director of television, says: "It is permissible for Channel 4 and ITV to look for some sponsorship funding for programmes provided the editorial content and scheduling of the programme is not in any sense influenced by the sponsorship. Because of the Act it is a very narrow field."

Sporting events, often backed financially by drink or tobacco companies, have been most favoured by television coverage. But even those events face restrictions such as the number of banners carrying the sponsor's name and the times they appear in shot. Arts, by contrast, have not

enjoyed such prominence. And here the law is close to being made to look like an ass: For while the present guidelines allowed Thames Television to join forces with the Clinical Medical Investment Group to cover the English National Opera's production of the *Mikado*, such sponsorship deal would have been stopped had Thames wanted its own studio production.

Channel Four, which has been more interested than most TV companies, has taken sponsorship funding for its coverage of American Football and *The Heart of the Dragon* series about the history of China. Support ma-

says: "There have been a lot of rumours that the IBA would relax the guidelines. We have to make it clear we cannot relax them any more, because the law is there."

She would like to see existing legislation changed so that instead of it ruling out sponsorship with certain exceptions, the emphasis is altered to accepting sponsorship, with certain exceptions. "The present law is too restrictive in the categories of programmes which can be sponsored."

But she insists: "We want to maintain, and we believe the Government wants to maintain, a clear distinction between programming and advertising which has been the hallmark of British television."

That said, she believes there is an important need to boost sponsorship of the arts and programmes which would otherwise not be made. "We are not looking for sponsorship of *Emmerdale Farm*, but for some easing of the restrictions so there can be more arts coverage. Sponsorship money should go to programmes that would not normally be done and not be used as topping up for mainstream programmes."

A similar attitude towards encouraging sponsorship money to flow into arts events is emanating strongly from the BBC. The Corporation has recently updated its guidelines so as to be more generous with credits about sponsors at the start and end of arts programmes.

Miss Patricia Hodgson, head of the BBC's policy and planning unit, says: "What we are trying to do is signal to the outside world and our own producers in policy terms, that we are in the business of trying to encourage the arts and performance, including concerts, dance, and exhibitions."

But apart from the arts, initial enthusiasm towards other areas of potential sponsorship has waned, noticeably involving the possible backing by commercial organizations of programmes made by the burgeoning independent sector of producers. The Government has said it wants "independents" to make up to a quarter of television programmes shown by the BBC and ITV in the forthcoming years.

"When we looked at it in detail we came to the conclusion it would be more trouble than it was worth," Miss Hodgson said.

Ironically Mr Timothy Renton, the Home Office Minister responsible for Broadcasting, had indicated support for the idea of commercial sponsorship of independent made programmes, before the BBC cooled towards the idea.

A bet to put your shirt on

The Seagram Grand National is one of the fairytale of sports sponsorship — it is also a very sound business venture.

Five years ago Aintree racecourse, home of the world famous steeplechase, faced the very real threat of permanent closure as a major fund-raising appeal had fallen short.

Just at the same time the wine and spirits company, which although it has its headquarters in New York has had interests in Britain since the 1930s, was looking for ways to develop a stronger image in the UK.

It seized the opportunity, stepped in at the eleventh hour and agreed a deal which provided the racecourse with an immediate payment of £400,000 and another £700,000 spread over five years. Seagrams has since agreed to sponsor the Aintree festival until 1993.

In return for saving the National the company has found there has been a dramatic rise in public awareness of its name — hardly surprising given the column inches devoted to the race and the fact that it commands a television and radio audience around the world reckoned to be in excess of 300 million.

The basic plot of the Seagram Grand National story is typical of sports sponsorship undertaken by drinks companies: image is a key issue. The industry is aware of the damage that could be done if a company name became associated with events marked by unruly crowd behaviour.

Sports sponsorship by the alcoholic drinks industry is estimated to be worth between £14 million and £15 million. Unlike the tobacco trade it is neither the subject of a Government agreement nor the object of a concerted health campaign.

BMA to put its shots in tobacco

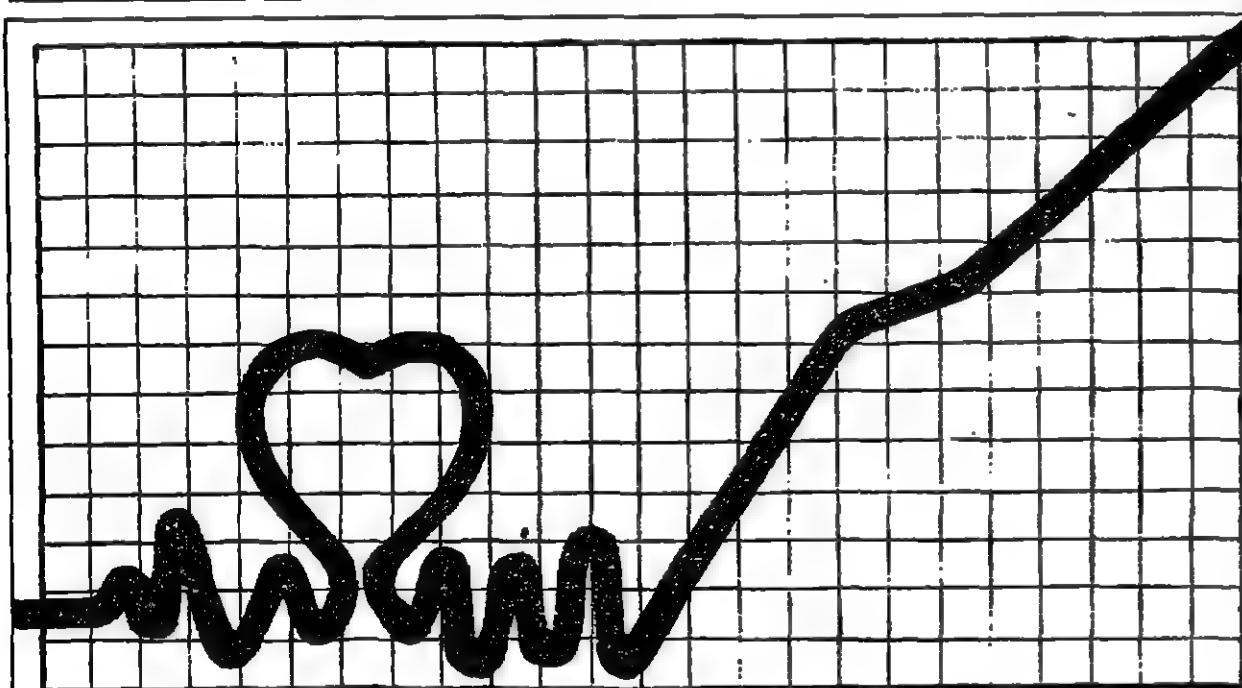
The British Medical Association is concentrating its firepower on tobacco sponsorship as it takes the view that alcohol, in small quantities, is not harmful while tobacco in any quantity is harmful. Its policy is to encourage sensible drinking.

The Health Education Authority replaced the Health Education Council last year. Historically the Council was opposed to sponsorship by the alcoholic drinks trade but the new body, which is still formulating policy, appears to be moving towards trying to encourage the industry to sponsor events through low and non-alcoholic products such as alcohol-free beers and wines.

These products have opened up a whole new sector of sports sponsorship for the trade: car racing, which previously had obviously been closed to drinks companies. Kaliber, Guinness's alcohol-free lager, announced in March a sponsorship deal for a British touring car racing team.

The company sought the support of the Ministry of Transport before the sponsorship went ahead. Mr Peter Bottomley, Parliamentary Under-Secretary of State of Transport, who is in charge of the Government's anti drinking and driving campaign, said: "We are happy to see an alcohol-free lager in motor-racing sponsorship. Within the context of our own campaigns to prevent drinking and driving, we welcome the arrival of an alcohol-free beer into the motor racing arena."

Mary Evans



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Smoke of battle as the tobacco 'war' hots up

The most contentious sponsorship schemes are those involving the money, about £9 million, the tobacco industry spends on sport.

Though the tobacco industry provides about six per cent of sport's sponsorship, it provokes 100 per cent opposition from the health lobby, which wants nothing less than a total ban on the promotion of tobacco products.

The controversy goes to the heart of why any organization ever sponsors anything. Health campaigners claim that the industry uses sports sponsorship to circumvent advertising controls and target the next generation of smokers. The industry counters that its sponsorship programmes are aimed at persuading existing smokers to switch brands and that there is no evidence of a link between tobacco sponsorship and starting smoking.

In the middle of the dispute stands the Government. Responsibility for trying to balance the conflicting views lies with the sports minister. Since 1977 sports sponsorship by tobacco companies has been regulated by a voluntary agreement between the minister and the industry. The current agreement was signed in January last year and will run until at least the end of October next year.

The latest agreement tightens the controls on tobacco sponsorship in several ways. First, spending was pegged to 1985 levels to £8.2 million. The companies, which had already undertaken not to sponsor events in which most participants were aged under 18, also agreed not to sponsor events designed to appeal mainly to spectators under 18. For the first time a ceiling on media advertising was introduced so that just 20 per cent of a company's sports sponsorship could be spent on advertise-

ing. It was also agreed that such advertising would not depict any participant in a sport. Tighter controls on the siting of signs at televised events were set and the size of health warnings of such signs was increased by 50 per cent.

The Department of the Environment considers the new agreement has met many of the criticisms. The department believes it would be difficult to get parliamentary approval for legislation.

The industry spends under £1 million a year, according to its own estimates, on sponsorship of the arts.

More than 60 sports have been sponsored by the industry, ranging from snooker to shove-ha-peenny, cricket to curling, golf to grass skiing and horse racing to the Highland Pentathlon.

The BMA launched a campaign for a ban on all smoking ads

Though the companies are bound, by the voluntary agreement, to sponsor non-televised, minor and amateur activities, they have displayed great skill in picking sports to promote from the other end of the popularity spectrum: a sponsorship budget, estimated at about six per cent of the total channelled into sport, supports 12 per cent of televised sport.

Some of the sponsorship schemes are more than 20 years old. The sports say that without the cash help they have had over the years they would have been in severe financial difficulties.

The amount of TV time devoted to tobacco-sponsored sports events particularly concerns the health lobby. The British Medical Association, which in

October, 1984, launched a campaign for a ban on all tobacco advertising, sponsorship and promotion, argued that research had shown that televising tobacco-sponsored sport informs children directly about smoking and may persuade them to start smoking.

The BMA was scornful of the new agreement signed between the Government and the industry, describing it as a "licence to allow the industry to continue to persuade millions of people to ignore the appalling health hazards of smoking."

David Simpson, the director of the pressure group, Action on Smoking and Health (ASH), said the industry sponsored TV sport in order to circumvent the ban, imposed in 1965, on cigarette advertising on TV and the undertaking, in its own code of advertising conduct, not to imply that smoking was associated with success in sport. He added that the programmes attracted a very large audience of young people and it was young people who started smoking - by the age of 20 a non-smoker was unlikely to take it up.

Clive Turner, director of Public Affairs for the Tobacco Advisory Council, the industry's trade association, insisted there was no proof that tobacco sponsorship of sports events had encouraged youngsters to start smoking. He said that there were many reasons youngsters started smoking - peer group pressure was a factor - and the TAC had financed a campaign to increase observance and awareness of the law making it illegal to sell any tobacco products to anyone apparently under 16.

Mr Turner said: "We have been sponsoring for 25 years. We have already helped about 60 different sports, many of them low profile which would otherwise have gone to the wall."

Mary Evans

Dairy Crest makes its run

Dairy Crest Foods was a name well-known within its chosen industry, but it was not known to consumers of its products, writes Alexandra Jackson.

This was not surprising because 50 per cent of its products were manufactured for other companies, but encouraged by the success of its own branded products such as Clover Spread and Lymeswold cheese, Dairy Crest decided to embark on a corporate-awareness campaign. This seemed appropriate for a group turning over £900 million a year.

Athletics met the group's objectives of being a relatively uncontroversial sport, appealing to both sexes and all ages. Moreover, it got good media coverage, happened all year round, had an international flavour and was not linked to another sponsor.

So Dairy Crest embarked on a programme with four other companies to sponsor 10 senior athletics events a year. Each sponsor got exclusive rights to two international events incorporating the sponsor's name with at least two hours of TV coverage.

As an investment for the future, Dairy Crest has also become the sole sponsor of junior athletics events throughout the year.

Dairy Crest has recently signed a four-year package worth £500,000 a year.

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Advertisers ahoy

Sponsorship was new to James Capel, the British-based stockbroker, when it spent £100,000 on a tender boat for the British entry for the America's Cup in Fremantle, Western Australia last year, writes Alexandra Jackson. Previous sorties in sport had been limited to elitist fields such as arab horse racing.

The project proved a great success. Though a small part of the total £1.75-million budget for the British challenger, White Admiral, the boat brought Capel prominence because it was responsible for towing the 12-metre yacht when not under sail. Capel's initial intention was mostly altruistic: to help the British effort, but the firm was also keen to enhance its name in Australia where it had a growing business. At that time stockbrokers were barely able to advertise their services, so though this was not the motive for the sponsorship, there was a clear benefit to be had from a high-profile sponsorship deal.

The televising of the Cup and the excitement it evoked, has increased the prominence of yachting. This makes it attractive to sponsors; Whitbread, for example, is spending £4 million on a 1989-90 round-the-world race.

How Halfords put a million on the road

There is a clear link between an event being sponsored and the company doing the sponsoring, in the case of Halfords, sponsorship of Britain's road race, the Birmingham Superprix.

As Britain's biggest supplier of automotive parts and accessories, Halfords has signed to sponsor the Formula 3,000 2½-mile road race, which takes place for two days every August bank holiday through

the streets of Birmingham. Halfords has committed £1 million a year for the next three years, 10 per cent of its marketing and promotional budget, to this project, having already been involved for the first two years of the event's life. Halfords is a Midlands-based company, although it has a national network. The Superprix gives it a chance to entertain customers.

Alexandra Jackson

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Another of our major sponsorships - for the third year running - is Cathedral Classics, an annual series of concerts held in twenty-one of Britain's finest cathedrals and abbeys, featuring the London Festival Orchestra, various leading soloists and, in most cases, the cathedral choir and choirmaster.

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Saturday 11 June	Manchester Cathedral
Sunday 12 June	St Mary's Cathedral, Edinburgh
Monday 13 June	Paisley Abbey
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Friday 17 June	Wakefield Cathedral
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Motoring by Clifford Webb

New Rover fights against the boot

In the medium-to-large car sector the traditional booted saloon is making a comeback at the expense of the much younger hatchback. Despite the advent of folding/rear seats extending the cargo space in these new generation saloons, the hatchback with its removable shelf remains the more versatile combination.

Austin Rover's 800 Executive saloon introduced nearly two years ago lost sales because the car it replaced, the hatchback SD1, had a strong following. Many SD1 owners refused to switch to the less flexible saloon. They were encouraged in this stance by reports that a hatchback 800 was on the way.

This week it arrived, and judging by the favourable response of dealers and the motoring press, it has been worth the wait. It is not being called a hatchback, however.

Research has come up with "Fastback" and management likes that because it ties in with plans to market the newcomer with a more sporty



Austin Rover's 820 Fastback: more sporty image than the saloon

image than the saloon.

There are seven Fastback models to add to the seven existing saloons and all will run on unleaded petrol. Two cars at the extremes of the range are particularly interesting — an entry-level version using the long running two-litre "O" series engine from the Montego and the fastest Rover ever, a 1400hp Vitesse.

During brief pre-launch testing I was surprised by the

suitability of the elderly "O" series for a car with such upmarket pretensions. It is also a carburettor equipped in contrast with the new fuel injected two litre M16 engine and Honda's 2.7 litre V6 which powers the rest of the 800 range.

However, the use of soft engine mounts has made the "O" much smoother than I remember it in the Montego. It is more leisurely in its response than the M16 and

there is still too much "thrash" when pressed hard, but my initial impression suggests that at £11,995 (nearly £850 less than the 820e saloon) the basic Fastback will sell well.

The revival of the name Vitesse for another big swift hatchback is a good marketing ploy. It had a strong following in the old SD1 range. At £19,944 it is nearly £2,000 cheaper than the flagship Sterling.

Twilight of the Audi Quattro

Motor sport enthusiasts were surprised by the recent announcement from Audi that it is ceasing production of the Quattro next month. The trade was not. It has been apparent for some time that the car, which eight years ago began the all wheel drive revolution for high performance cars, was only selling

in penny numbers. There are now more modern competitors including Quattro versions of Audi's smaller but more advanced 80 and 90 models.

With both selling well and a new coupe replacement for the big Quattro expected in about eight months' time, factory space could no longer be spared for the old Quattro.

But how dated has it become? Why should buyers be queuing up for the last 150



Audi quattro: customers queuing up for the last models

earmarked for Britain? To find out I spent a week with one of the survivors. The first thing that has to be said is that its somewhat dated looks still ooze power. It squats on its big, fat, low aspect ratio tyres in the most menacing way.

The five-cylinder turbo charged engine with capacity recently increased from 2144cc to 2226cc produces 200 bhp, which is more than enough to make a front-wheel only drive car a nervous

handful spinning its wheels under moderate acceleration and veering from the chosen line under the influence of torque. Four-wheel drive gives Quattro a leech-like grip. The clutch is still heavy and the five-speed gearbox has the notchy feel of older generation boxes. There is however less turbo lag today than I remember in earlier models. Like most coupés, rear headroom is restricted and the boot is only a token space.

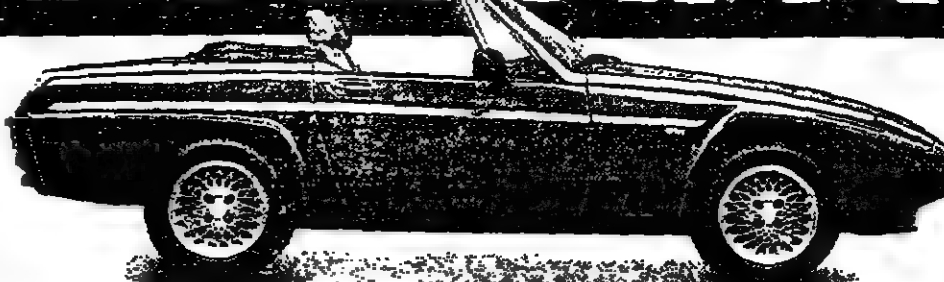
Vital statistics

Model: Audi Quattro
Price: £30,000
Engine: 2226cc turbo
Performance: 0-60mph 6.7 seconds, maximum speed 138mph
Official consumption: Urban 21.1mpg, 55mpg, 37.2mpg and 75mpg 29.1mpg
Length: 14.5ft
Insurance: Group 9

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BMW 318i 26.0i	£110,995	BMW 524i 26.5i	£122,995
BMW 318i 26.5i	£112,995	BMW 524i 27.0i	£124,995
BMW 318i 27.0i	£114,995	BMW 524i 27.5i	£126,995
BMW 318i 27.5i	£116,995	BMW 524i 28.0i	£128,995
BMW 318i 28.0i	£118,995	BMW 524i 28.5i	£130,995
BMW 318i 28.5i	£120,995	BMW 524i 29.0i	£132,995
BMW 318i 29.0i	£122,995	BMW 524i 29.5i	£134,995
BMW 318i 29.5i	£124,995	BMW 524i 30.0i	£136,995
BMW 318i 30.0i	£126,995	BMW 524i 30.5i	£138,995
BMW 318i 30.5i	£128,995	BMW 524i 31.0i	£140,995
BMW 318i 31.0i	£130,995	BMW 524i 31.5i	£142,995
BMW 318i 31.5i	£132,995	BMW 524i 32.0i	£144,995
BMW 318i 32.0i	£134,995	BMW 524i 32.5i	£146,995
BMW 318i 32.5i	£136,995	BMW 524i 33.0i	£148,995
BMW 318i 33.0i	£138,995	BMW 524i 33.5i	£150,995
BMW 318i 33.5i	£140,995	BMW 524i 34.0i	£152,995
BMW 318i 34.0i	£142,995	BMW 524i 34.5i	£154,995
BMW 318i 34.5i	£144,995	BMW 524i 35.0i	£156,995
BMW 318i 35.0i	£146,995	BMW 524i 35.5i	£158,995
BMW 318i 35.5i	£148,995	BMW 524i 36.0i	£160,995
BMW 318i 36.0i	£150,995	BMW 524i 36.5i	£162,995
BMW 318i 36.5i	£152,995	BMW 524i 37.0i	£164,995
BMW 318i 37.0i	£154,995	BMW 524i 37.5i	£166,995
BMW 318i 37.5i	£156,995	BMW 524i 38.0i	£168,995
BMW 318i 38.0i	£158,995	BMW 524i 38.5i	£170,995
BMW 318i 38.5i	£160,995	BMW 524i 39.0i	£172,995
BMW 318i 39.0i	£162,995	BMW 524i 39.5i	£174,995
BMW 318i 39.5i	£164,995	BMW 524i 40.0i	£176,995
BMW 318i 40.0i	£166,995	BMW 524i 40.5i	£178,995
BMW 318i 40.5i	£168,995	BMW 524i 41.0i	£180,995
BMW 318i 41.0i	£170,995	BMW 524i 41.5i	£182,995
BMW 318i 41.5i	£172,995	BMW 524i 42.0i	£184,995
BMW 318i 42.0i	£174,995	BMW 524i 42.5i	£186,995
BMW 318i 42.5i	£176,995	BMW 524i 43.0i	£188,995
BMW 318i 43.0i	£178,995	BMW 524i 43.5i	£190,995
BMW 318i 43.5i	£180,995	BMW 524i 44.0i	£192,995
BMW 318i 44.0i	£182,995	BMW 524i 44.5i	£194,995
BMW 318i 44.5i	£184,995	BMW 524i 45.0i	£196,995
BMW 318i 45.0i	£186,995	BMW 524i 45.5i	£198,995
BMW 318i 45.5i	£188,995	BMW 524i 46.0i	£200,995
BMW 318i 46.0i	£190,995	BMW 524i 46.5i	£202,995
BMW 318i 46.5i	£192,995	BMW 524i 47.0i	£204,995
BMW 318i 47.0i	£194,995	BMW 524i 47.5i	£206,995
BMW 318i 47.5i	£196,995	BMW 524i 48.0i	£208,995
BMW 318i 48.0i	£198,995	BMW 524i 48.5i	£210,995
BMW 318i 48.5i	£200,995	BMW 524i 49.0i	£212,995
BMW 318i 49.0i	£202,995	BMW 524i 49.5i	£214,995
BMW 318i 49.5i	£204,995	BMW 524i 50.0i	£216,995
BMW 318i 50.0i	£206,995	BMW 524i 50.5i	£218,995
BMW 318i 50.5i	£208,995	BMW 524i 51.0i	£220,995
BMW 318i 51.0i	£210,995	BMW 524i 51.5i	£222,995
BMW 318i 51.5i	£212,995	BMW 524i 52.0i	£224,995
BMW 318i 52.0i	£214,995	BMW 524i 52.5i	£226,995
BMW 318i 52.5i	£216,995	BMW 524i 53.0i	£228,995
BMW 318i 53.0i	£218,995	BMW 524i 53.5i	£230,995
BMW 318i 53.5i	£220,995	BMW 524i 54.0i	£232,995
BMW 318i 54.0i	£222,995	BMW 524i 54.5i	£234,995
BMW 318i 54.5i	£224,995	BMW 524i 55.0i	£236,995
BMW 318i 55.0i	£226,995	BMW 524i 55.5i	£238,995
BMW 318i 55.5i	£228,995	BMW 524i 56.0i	£240,995
BMW 318i 56.0i	£230,995	BMW 524i 56.5i	£242,995
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EQUESTRIANISM

Stark gives new horse early outing at Windsor

By Jenny MacArthur

Ian Stark, who finished first and second at Badminton earlier this month, is giving Mix 'N Match, his intermediate standard horse, its first major test at the Beefeater Steak Houses three-day event, which starts today in Windsor Great Park.

It will be Stark's first appearance at these trials, which have become a popular stepping-stone for horses on the way to Badminton and Buryfield.

Lucinda Green, the former world champion, Mark Todd, the 1984 Olympic individual gold medal winner, and Anne-Marie Taylor, who was fifth at the 1986 world championships, are among the other international riders taking advantage of the event's demanding but inviting course.

Stark has had little time to reflect on his unique Badminton performance. Last week, he accepted a last-minute ride on Virginia Leng's Bally Hack at the Breda three-day event in the Netherlands — Leng is recovering from a sprained ankle — and finished fifth, having sat on the horse only once before.

He has had a slightly longer acquaintance with Mix 'N Match, a six-year-old piebald gelding he bought 18 months ago. They won two novice events last year and won again at the Writton Castle trials in County Durham last month.

Stark would have preferred to wait until the autumn before riding him in a three-day event, but the timing of the Olympics means that Stark will almost certainly be out of the country for nearly a month, so he has brought forward the horse's schedule.

Green and Todd, who are in the same section as Stark this weekend, are also giving their horses — Anchorman and Done For Fun — their first three-day event, which should provide an interesting comparison.

The event, which starts with the dressage today, is divided into three senior sections and also includes the Beefeater British junior championship.

Tomorrow, all the sections jump the same cross-country course, which this year includes two new fences, a water obstacle at the Prince of Wales Pond and a cleverly constructed combination fence. The steeplechase track has been re-sited to ensure the best going.

Other Badminton riders competing on their less experienced horses at Windsor include Rachel Hunt (Trust To Luck), Robert Lemieux (Baillicious Lass) and Claire Mason (Dreadnought).

The Princess Royal, the president of the trials, is not competing because she has failed to qualify her horse, Black Ice.

ATHLETICS

Head-to-head clashes to start the season

By Pat Butcher, Athletics Correspondent

The outdoor track and field season, which has been quietly warming up with club and national league fixtures during the last month, sees the Mott MacDonald Grand Prix circuit begin its tour of 17 meetings in 14 countries with the Bruce Jenner Classic in San Jose, California, tomorrow.

Then there is the early season surprise of seeing Sebastian Coe lining up against Billy Konchellah and Peter Elliott, the world gold and silver medal winners in the 800 metres, and Steve Cram against Steve Ovett and José-Luis González in the 3,000 metres in Seville on Wednesday.

At least, these matches are promised by the promoters, and all the British parties have confirmed their participation. But Kim McDonald, manager to Ovett and Elliott, brought up an athletes' maintaining manager distance from one another as possible, said: "I'll believe it when I see it."

Coe, gearing up towards an

unprecedented third Olympic 1,500 metres title, also faces David Sharpe and Rob Druppers, first and second in the European indoor 800 metres in March, and Ovett and Cram, rare meeting will be enhanced by González, for whom the 3,000 metres is his best distance, Han Kuke, José Abascal and Joseph Cheshire.

The United Kingdom championship, sponsored by HPC Bank, takes place on June 4 and 5 in Derby, and the 100 metres should provide the most competitive interest. An entry of 75 includes Colin Jackson and John Regis, world champions in bronze and silver medals against Jamie Henderson, Elliott Bunney, Kim McFarlane and Barrington Williams.

Cram then makes an interesting return to Casablanca for the 1,500 metres in the first in a series of three international meetings in Morocco on June 11. The main attraction is Said Aouita, who makes an attempt on his two-mile world record.

RACING: HERN'S EPSOM RIDING ARRANGEMENTS FALL INTO PLACE AS STABLE JOCKEY MAKE HIS CHOICE

Tuck's appeal fails

Phil Tuck's appeal against the disqualification of Clever Folly at Southwell on May 16 was quashed by the Jockey Club Disciplinary Committee in London yesterday.

Clever Folly finished first, 1 1/4 lengths in front of Black River, in the Sherwood Forest Handicap.

Yesterday's results

Brighton

Going: firm
2.0 (5) 1, CHAM SHOT (P) Cook, 5-1; 2. Tyers Wood (N) Day, 14-1; 3. Little Express (G) Stoney, 14-1; 4. Warring States (M) J. Up The Kite, 12-1; 5. 14-1; 6. 14-1; 7. 14-1; 8. 14-1; 9. 14-1; 10. 14-1; 11. 14-1; 12. 14-1; 13. 14-1; 14. 14-1; 15. 14-1; 16. 14-1; 17. 14-1; 18. 14-1; 19. 14-1; 20. 14-1; 21. 14-1; 22. 14-1; 23. 14-1; 24. 14-1; 25. 14-1; 26. 14-1; 27. 14-1; 28. 14-1; 29. 14-1; 30. 14-1; 31. 14-1; 32. 14-1; 33. 14-1; 34. 14-1; 35. 14-1; 36. 14-1; 37. 14-1; 38. 14-1; 39. 14-1; 40. 14-1; 41. 14-1; 42. 14-1; 43. 14-1; 44. 14-1; 45. 14-1; 46. 14-1; 47. 14-1; 48. 14-1; 49. 14-1; 50. 14-1; 51. 14-1; 52. 14-1; 53. 14-1; 54. 14-1; 55. 14-1; 56. 14-1; 57. 14-1; 58. 14-1; 59. 14-1; 60. 14-1; 61. 14-1; 62. 14-1; 63. 14-1; 64. 14-1; 65. 14-1; 66. 14-1; 67. 14-1; 68. 14-1; 69. 14-1; 70. 14-1; 71. 14-1; 72. 14-1; 73. 14-1; 74. 14-1; 75. 14-1; 76. 14-1; 77. 14-1; 78. 14-1; 79. 14-1; 80. 14-1; 81. 14-1; 82. 14-1; 83. 14-1; 84. 14-1; 85. 14-1; 86. 14-1; 87. 14-1; 88. 14-1; 89. 14-1; 90. 14-1; 91. 14-1; 92. 14-1; 93. 14-1; 94. 14-1; 95. 14-1; 96. 14-1; 97. 14-1; 98. 14-1; 99. 14-1; 100. 14-1; 101. 14-1; 102. 14-1; 103. 14-1; 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